

EUROPEAN NEWS

Election of Soares reflects hopes for stability and progress

BY DIANA SMITH AND DAVID WHITE IN LISBON

"I AM not optimistic," said Mr Mario Soares last November, when his presidential hopes appeared to have been crushed by the crushing defeat received by his Socialist Party in general elections. "I am determined."

By slipping the conservative favourite, Mr Diogo Freitas do Amaral, at the post on Sunday the 61-year-old Mr Soares reached the culmination of a career in the forefront of Portugal's politics since it ended its sombre half century of dictatorship 12 years ago.

As part of the new image he promoted during the campaign, Mr Soares recruited support from showbiz figures and from Portugal's Olympic marathon

champion Carlos Lopes. "We are both long-distance runners," ran one election poster. In a marathon in Japan last week, Mr Lopes had to give up an hour from the finish.

Not so Mario Soares, the man who has now assumed the mantle of the new incarnation of modern Portuguese democracy. Mr Soares was brought up to relish political challenge. His schoolmaster father, an active republican during the pre-1910 monarchy, became a lifelong conspirator constantly in jail, exile or living clandestinely. At the age of 70 he found himself in the same jail as his son—then a student leader in the underground Young Communist movement.

Mr Soares studied law under Mr Alvaro Cunhal, who, as leader of the pro-Soviet Communists became his principal rival after the 1974 revolution. Since the mid 1950s he has distanced himself from the Communists and after being repeatedly detained and deported to the tropical island of Sao Tome, he founded the Socialist Party in exile in 1973.

Returning in triumph from Paris three days after the 1974 revolution, he became democratic Portugal's first Foreign Minister—with the job of gaining acceptance for it in Europe.

In the post-revolutionary fighting, he also became public enemy number one of Mr Cunhal's Communists. Mr Cunhal

ordered his voters out on Sunday to back Mr Soares, which he made clear was not the same thing as supporting him, and sooner or later can be expected to present his "bill" for the favour.

The focus in Mr Soares's image came mainly from his record as Prime Minister in 1976-78 and again in 1983-85, when the Socialists had to pay the political cost of their tough economic austerity measures. He is also criticised for his visible fondness for creature comforts, his vanity, high-handedness and favouritism.

But his victory has had a clear impact on Portuguese politics. By outshining the two other left-wing candidates in

the first round, he established Socialist supremacy on the left and at the same time helped to put Portuguese politics on a more classical European-style footing, a move away from the apparent parallel with South America.

His second round triumph is also a setback for Mr Anibal Cavaco Silva, the Social Democrat leader, who became Prime Minister in October after breaking his party's alliance with the Socialists. Although the standing of Mr Cavaco's minority government, with its technocrat get-down-to-work approach, appears to be good, his strategy of having Mr Freitas as President in a strong centre right front

has fallen apart.

Mr Cavaco had met some resistance in his party over his backing of Mr Freitas, and may now have a harder time preventing cracks from reappearing in the party. Both K and the Socialist Party have congresses coming up in the spring.

For the Socialists, Mr Soares's victory means looking for another Secretary General. Mr Vitor Constancia, Governor of the Bank of Portugal, is being strongly tipped for the post.

For all its short and eventful history in which it has moved from the far left of the socialist spectrum to the middle of the road — it has never had anybody but Mr Soares.

Sweden's trade shows surplus in January

By Kevin Dose, Nordic Correspondent in Stockholm

SWEDEN ACHIEVED a trade surplus of SKr 1.5bn (€128m) in January, a clear improvement on January 1985, when exports and imports were in balance. The value of exports rose by 3 per cent to SKr 20.6bn, while that of imports fell by 3 per cent to SKr 19.1bn.

The central office of statistics credited the improvement to falling oil prices and the fact that ice in the Baltic Sea has not prevented such a problem for access to Swedish ports this winter. The cost of oil imports in January was 13 per cent lower than a year earlier despite unchanged volumes.

Swedish industrial production rose by 2.6 per cent last year to a record level, according to preliminary figures from the statistics office. The rate of increase slowed from 1983 and 1984, however, when industrial output jumped by 4.5 per cent and 7.1 per cent respectively. The main impetus to further growth last year came from exports and stock-building.

Since the upturn began in the final quarter of 1982, industrial output has risen by a total of 18 per cent.

The main improvement last year came from the engineering industry, which accounts for 45 per cent of industrial output, but paper and board and chemicals also showed an increase.

The unemployment rate in Sweden was 2.9 per cent in January. In addition to the 128,000 people registered as unemployed, a further 88,000, or 2.2 per cent of the workforce, were employed on some sort of labour market support measures.

Divorce bill likely to fail in Ireland

By Hugh Carney in Dublin

THE IRISH Labour Party will introduce a bill in Parliament today to legalise divorce for the first time in the Republic, but the measure is likely to be voted down by Labour's Fine Gael coalition partners.

Dr Garret FitzGerald, the Prime Minister, is allowing a free vote by Fine Gael MPs but he has made it clear he wants the bill defeated despite his commitment to the lifting of the constitutional ban on divorce.

This peculiar situation has arisen because Dr FitzGerald is reluctant to proceed with the required referendum on dropping the divorce ban until he is convinced it will be approved by the electorate. Recent opinion polls have shown up to 77 per cent support for the idea of limited divorce measures, but much less certain support for altering the constitution.

Labour expects the opposition Fianna Fail party to abstain and enough Fine Gaelers to vote against when the vote is taken on February 26 to defeat the bill, despite support from the newly formed Progressive Democrats.

Supporters of Labour's bill, which would allow divorce only in cases of irretrievable marriage breakdown, say the Prime Minister is giving the issue for fear of provoking a constitutional debate at a time of low government popularity.

Along with Malta, Ireland is the only European country which does not allow divorce. Pro-divorce groups estimate some 70,000 people in the Republic are trapped in unwanted marriages.

Latest West Berlin corruption scandal widens

Leslie Colitt in Berlin reports on an affair which threatens to tarnish the city's image

WEST BERLIN is in danger of trading its reputation as the West's outpost of freedom inside East Germany for that of the corruption capital of Germany.

Even some of the names in West Berlin's latest corruption scandal, billed as the biggest since 1945, sound like minor characters from Bertolt Brecht's Threepenny Opera.

There is Mr Otto Schwanz, flamboyant owner of several bordellos, who is in detention charged with bribing a former Charlottenburg district building councillor, also under arrest. There is also Mr Otto Putsch, arrested for allegedly seeking to influence the councillor.

They are, however, bit players in an affair which is widening re-

orselessly and has already touched Mr Eberhard Diepgen, the city's Christian Democrat (CDU) governing mayor. Until the scandal broke, Mr Diepgen had a reputation as one of the city's more successful recent leaders. Along with his predecessor, Mr Richard von Weizsäcker who became West Germany's President in 1984, Mr Diepgen promised to end "Filokratie," the thick web of party favouritism under the Social Democrats (SPD). Two previous SPD mayors were forced to resign because of municipal corruption.

The 44-year-old mayor managed to restore the crucial confidence of West Germany's Government and businessmen in the city and to reverse its industrial decline. Mem-

bers of his team were even touring Mr Diepgen, who is at the liberal end of the CDU spectrum, as a natural successor to Mr Helmut Kohl, West Germany's Chancellor, who they were openly ridiculing.

Now, however, it is Mr Kohl who is worried lest the Berlin scandals stain his own leadership in the buildup to next year's national elections.

At the centre of the investigations by the Public Prosecutor's Office is a prominent local builder, recently released from detention on DM 1m (\$427,350) bail. He was suspected of bribing city officials, including the CDU mayor of the Tiergarten district who was recently suspended by Mr Diepgen.

Two officials of the city's building department were arrested and a member of the finance department. In all, 37 people are under investigation for offering and receiving bribes, including a former SPD municipal building councillor.



Chancellor Helmut Kohl worried about scandals

coming mayor. He acknowledged receiving the money — which was not illegal — which he passed on to his party.

West German law is hazy on the subject of what constitutes bribery of a public official. Direct benefits must be proven to the person offering the bribe, but the prosecutors believe they have ample evidence of this.

The builder is alleged to have saved hundreds of thousands of D-Marks by evading the building code with the help of city officials.

The investigation has opened up a Pandora's Box of apparent collusion between officials and city builders. Building companies were able to buy key property sites before the city declared them priority development areas.

Property speculators also found West Berlin enticing because of the enormous government subsidies for the construction of lower rent "social housing." Local builders boast-

ed their construction costs — on paper — in order to present astronomical bills to the city-owned Building Credit Society (WIK) which paid them the difference between the low rent and their high costs.

The builders created tax depreciation companies which sold shares in the apartment houses to well-to-do West Germans. They were unconcerned about the high building costs because their main interest was to lose money in order to reduce their taxes.

The only party to emerge unscathed is West Berlin's version of the Green Party, the Alternative List.

Meanwhile, Mr Diepgen is preparing for a trip to Washington this month. Concerned about the impact of the scandal on West Berlin's reputation in the US, the mayor's advisers were relieved by the assessment of US officials. They noted that it would raise barely a ripple in America where urban corruption was a time-honoured institution.

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US hopes for accords on SDI by the summer

BY PETER MARSH

THE UNITED STATES hopes to finalise by the summer research agreements for the Strategic Defence Initiative (SDI) with West Germany, Italy, Israel and Japan, according to Dr William Schneider, an Under-Secretary at the US State Department. He said in London that these agreements would be broadly similar to that signed with Britain in December under which UK companies and research groups can bid for work on the \$26bn programme.

The so-called Star Wars project is designed to produce by the 1990s a strategy to protect the West from nuclear missiles, for example by shooting them down with lasers.

Addressing a conference on the SDI organised by the Conservative Party's Bow Group, Dr Schneider said he hoped that over the next few weeks the US Government would sign several specific research contracts on Star Wars with foreign companies.

IA-Gen James Abrahamson, director general of the Pentagon's SDI organisation, said that the agreements with Britain represented an effort to "nourish" UK technology without requiring researchers to travel to the US.

"We are not here to pick the cherries from your technical

genius. We are not here to steal ideas but to back people," he said.

The SDI organisation is discussing about 10 contracts with British groups worth a total of roughly £1m. General Abrahamson will give details today of the classified aspects of Star Wars to a meeting in London of about 100 UK companies.

Foreign research groups, he said, had much to offer the SDI project in technologies such as sensors to spot the positions of warheads in space, and composite materials that could form the basis of lightweight space platforms to carry devices such as mirrors which would direct lasers to their targets.

Gen Abrahamson flies to Israel tomorrow for discussions with researchers there on work in another promising technology—rail guns; space-based devices which would destroy missiles by shooting small, automatically guided pellets accelerated by electro-magnetic forces.

Even though the French Government has turned down the invitation to participate formally in Star Wars, Gen Abrahamson said that two French companies had approached the Pentagon with their own plans for theoretical studies to defend Europe from nuclear weapons.

Dutch move on euthanasia

A BILL to legalise active euthanasia in the Netherlands, the first of its kind in the world, threatens to divide the governing Christian Democrat-Liberal coalition in the run-up to the general election on May 21, writes Laura Rana in Amsterdam.

During a parliamentary committee debate yesterday, the right-of-centre Liberals sided with the opposition Labour party in broadly supporting the bill proposed by the Democrats' 68 party, Mr Ruud Lubbers, the Christian Democratic Prime Minister, opposes it deeply and wants it postponed until the next Government is formed. The bill would permit mercy killing at the request of a terminally ill person.

What's new in London finance circles?

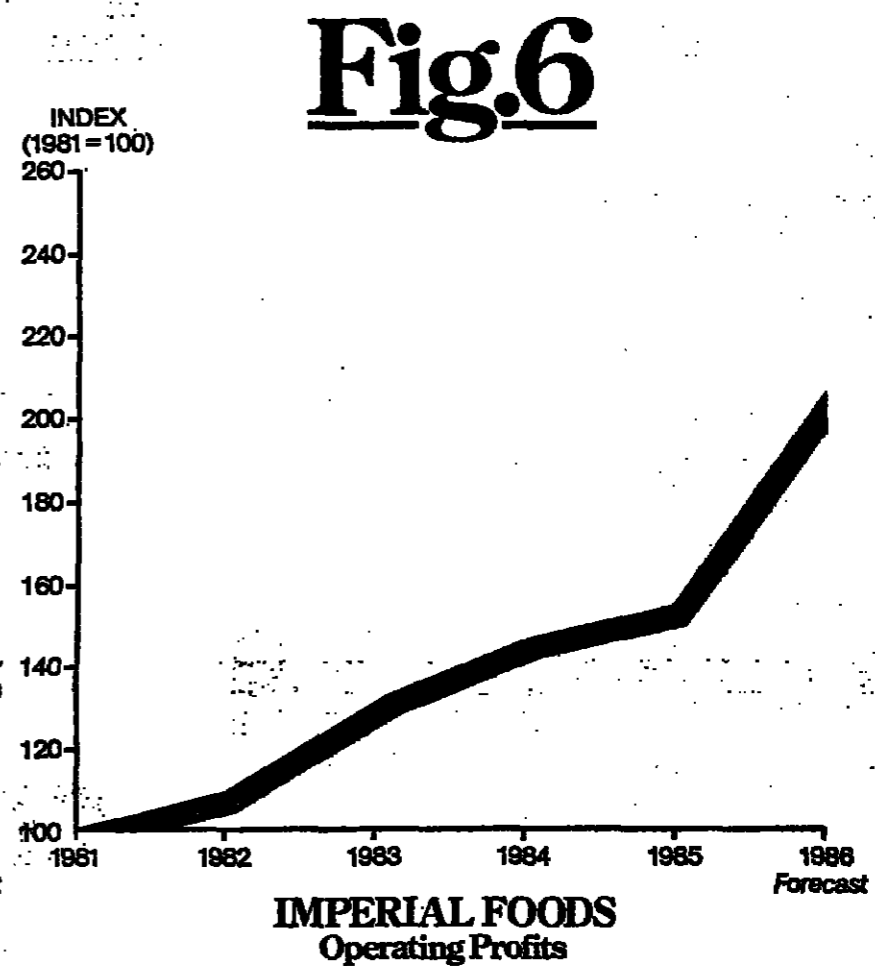
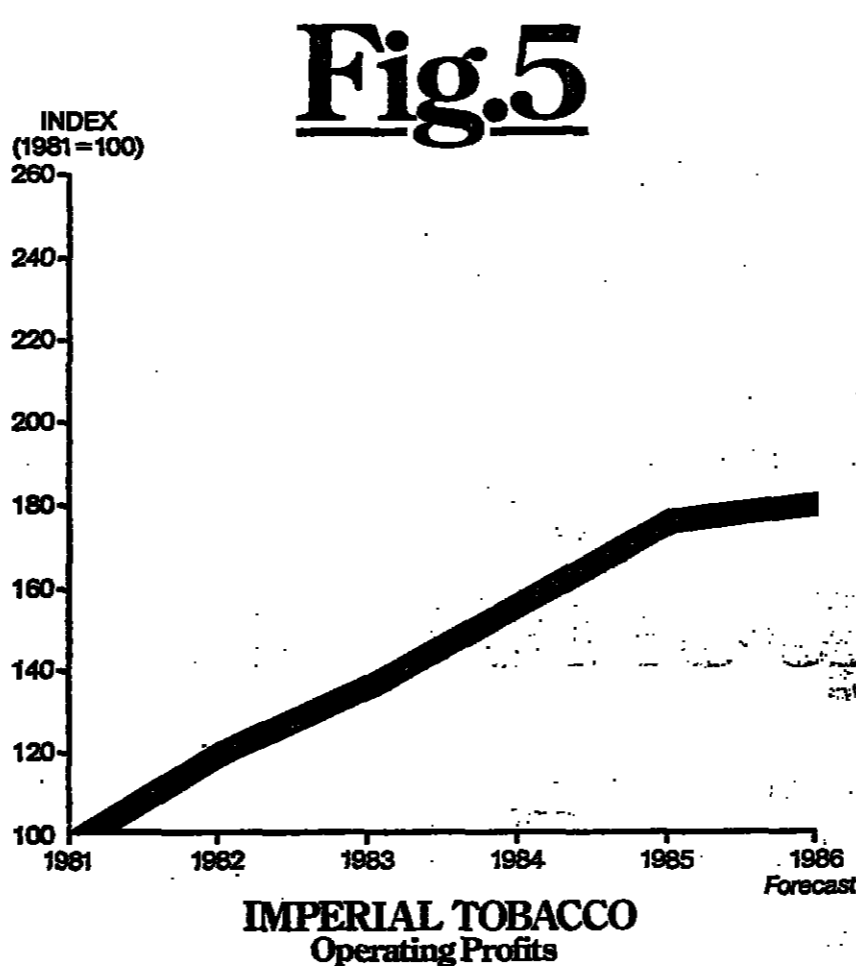
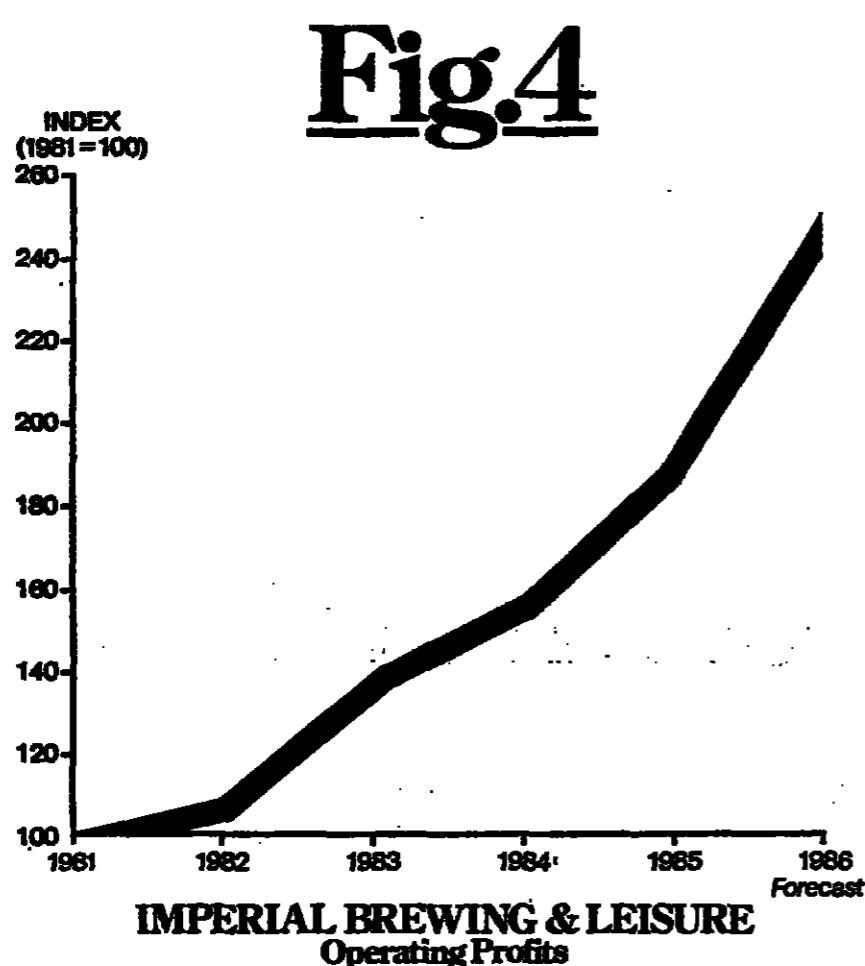
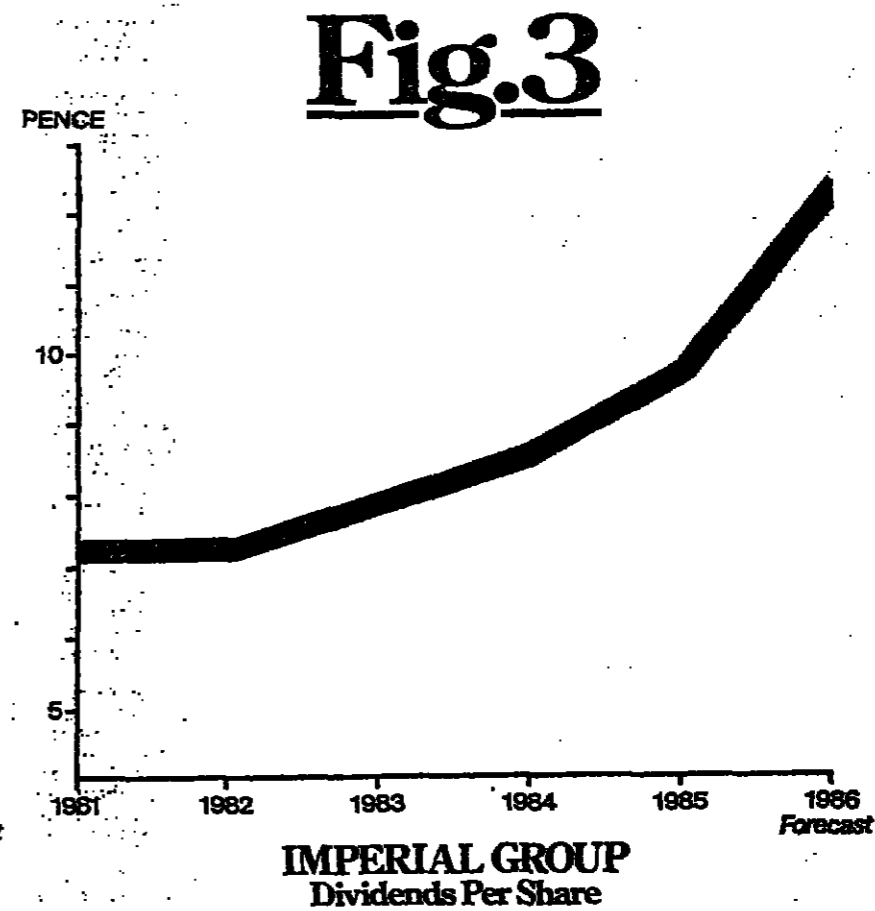
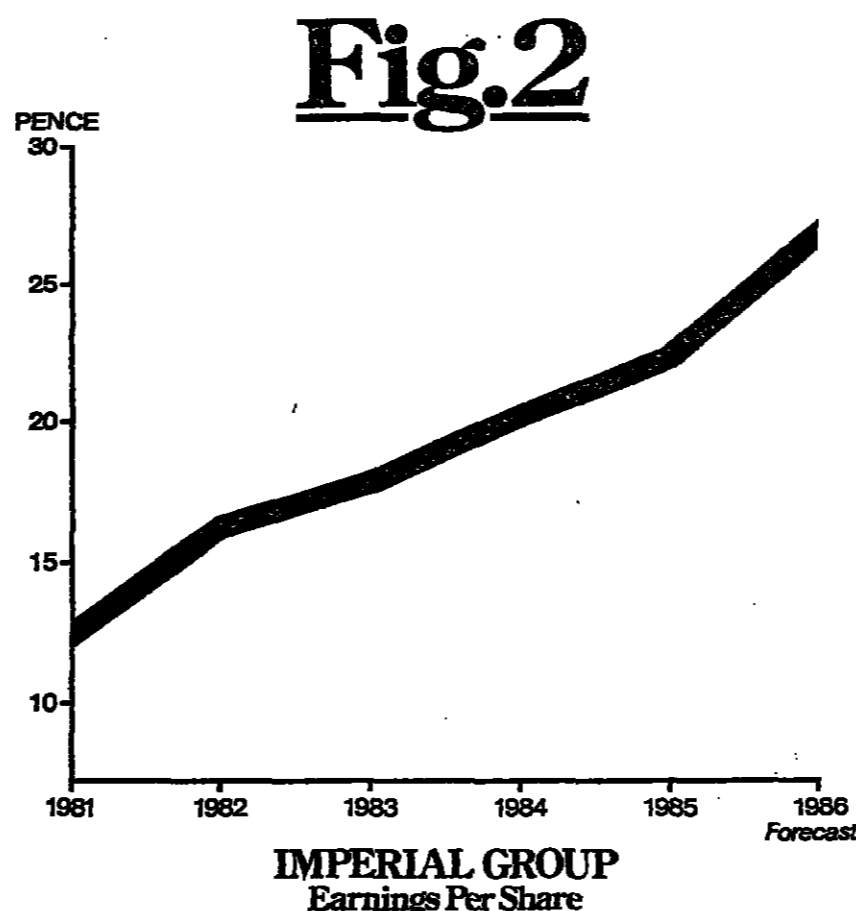
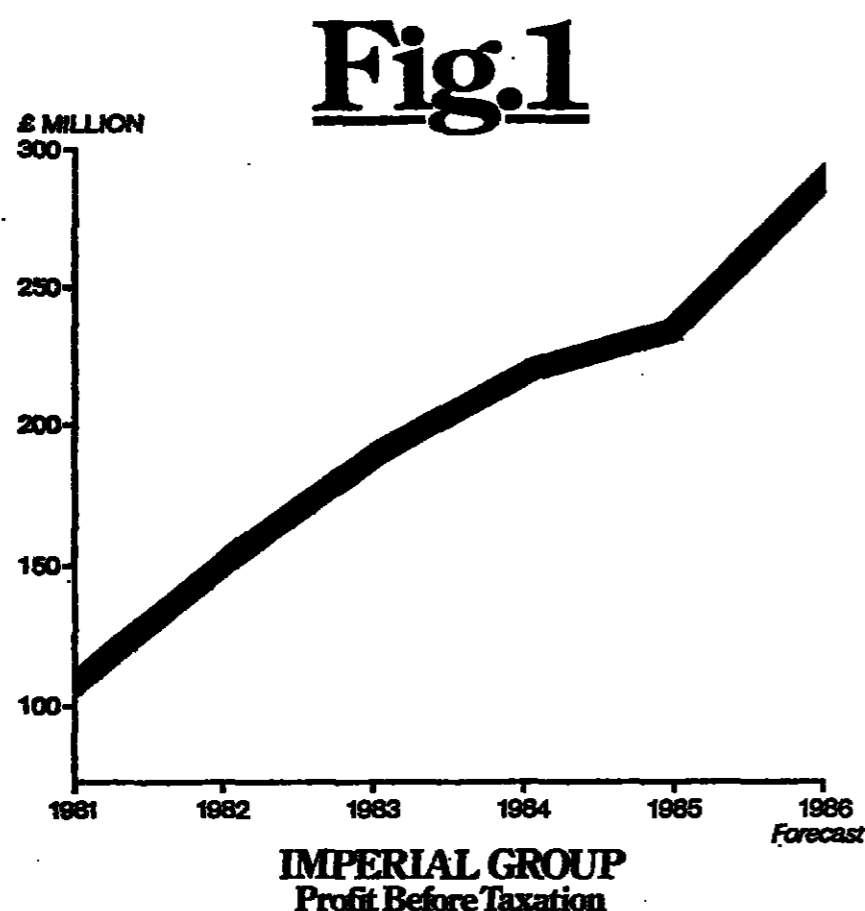
The City of London will have another new arrival from Japan—The Nippon Trust and Banking Co., Ltd., whose presence in Eurobanking has long been felt since early 1970s. Its London Representative Office, headed by Mr. Toshitiro Suzuki, is only two minutes' walk from the Monument.

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Israel launches operation beyond security zone

BY ANDREW WHITLEY IN TEL AVIV

TWO Israeli armoured columns backed by helicopter gunships advanced north of Israel's self-proclaimed security zone in South Lebanon yesterday in a search-and-destroy operation, following the kidnap of at least two Israelis by Lebanese guerrillas.

Beirut radio reported that three Israelis had been killed in the operation, but this was denied by an Israeli military spokesman in Tel Aviv.

The Israeli columns are believed to be searching villages around Deir Antar and Sul-taniyeh, about 10 miles north of the border, within the zone controlled by the Irish peace-keeping force.

But a UN spokesman last night denied reports from Lebanon that the Irish troops had fired on the advancing columns. "There has been no confrontation with the UN force," said Mr. Timor Goksel.

In a separate incident there were exchanges of fire between Irish troops serving with the UN Truce Supervision Force (UNTSF) and units of the South Lebanon Army (SLA), the Israeli-backed Christian militia.

It was not immediately clear whether the clash was related to the Israeli operation.

The captured Israelis were reportedly military advisers attached to the SLA, but were in civilian clothes.

About 1,000 Israeli uniformed troops and plain clothes security men remain in the eight-mile deep "security zone" in South Lebanon following the official completion of Israel's withdrawal from Lebanon last June.

The kidnapped Israelis are reported to have been captured following an ambush laid, according to Beirut radio, by "National Resistance" guerrillas. There were no further details of who was responsible, but Israeli officials have recently been warning about renewed Palestinian guerrilla infiltration of the region.

Meanwhile, militiamen from the Druze Progressive Socialist Party (PSP) are reported to have expelled about 100 Bedouin Arab and Palestinian families squatting in the coastal village of Jiyeh, halfway between Beirut and Sidon, over the past week.

S. African miners issue strike threat

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S National Union of Mineworkers (NUM) which claims to represent 250,000 black miners, plans strike action later this year if the various mining houses offer differing amounts during pay negotiations, Mr. Cyril Ramaphosa the union's secretary-general told a press conference yesterday.

He said this decision had been taken at the NUM annual congress last weekend.

Mr. Ramaphosa said the union was determined to negotiate a single wage agreement with the Chamber of Mines, the employers' co-ordinating body, covering all of the country's gold mines. A separate agreement would cover the collieries.

In 1985 strikes, planned at several mines, were called off at the eleventh hour when three mining houses broke ranks with the chamber and improved their wage offers.

Mr. Ramaphosa was dismayed that the Mines and Energy Affairs had not yet honoured his commitment to introduce legislation abolishing legal colour bars which prevent black workers from occupying supervisory positions.

The Minister said last year that he would introduce appropriate legislation in the 1986 parliamentary session even if the chamber and the white mining unions were unable to agree on a means of removing job reservation.

The NUM intends presenting President P. W. Botha with an ultimatum on the job reservation issue and is preparing for industrial action if further talks with the chamber do not result in real progress towards the removal of racial job barriers.

In the past, Mr. Ramaphosa said, the right to strike had been restricted by law and by attacks on strikers by mine officials, police and soldiers. He called on employers not to use force to end strikes.

He said that Gencor had been "targetted as an enemy company" as it had persistently dismissed large numbers of workers as a means of breaking strikes.

In September last year the Marjvale gold mine, which is controlled by Gencor, sacked 900 miners, involved in a legal strike. That was followed in January by the dismissal of 23,000 men striking at three mines belonging to Impala Platinum, another Gencor group company.

Boycotts and industrial action will continue "until Gencor starts treating and dealing with men in a proper manner."

The union also elected Mr. Nelson Mandela, leader of the African National Congress, its honorary life president.

In continuing violence in the country, battles raged in Alexandra township on the fringes of Johannesburg's affluent white suburbs after a weekend of black protest violence in which at least 14 people died.

Almost 700 people were arrested around the country.

Unita confirms US aid pledge

Dr. Jonas Savimbi, leader of the Angolan rebel group, Unita, said he hoped to have US anti-tank and anti-aircraft missiles by April to meet an expected offensive from the Government in Luanda, AP reports from Johannesburg.

Dr. Savimbi said he had a "firm commitment" for military aid from the Reagan Administration, but that he was not certain when the aid would arrive and what form it would take. He said no US military advisers would come to Angola.

Dr. Savimbi rejected speculation that Unita was considering the release of Cuban prisoners as part of a possible agreement to free Mr. Nelson Mandela, leader of the African National Congress, or South African Captain Wynand du Toit.

Sudan signs debt deal with Japan

JAPAN and Sudan have signed an agreement to reschedule Sudan's \$30m debt due in 1983, the official Sudan news agency said, AP reports from Khartoum.

Sudan said the agreement was part of a plan for rescheduling drawn up by the Paris Club, which agreed in principle last May to reschedule an estimated \$30m of Sudan's debt.

The agreement, signed by a senior Sudanese finance ministry official and Japan's ambassador to Khartoum, stipulates repayment at a semi-annual rate of 20 instalments over a period of 16 years, and an 8.5 per cent interest rate. A grace period of six years will be allowed, Sudan said.

An agreement for the repayment of Sudan's debt due to Japan in 1984 is expected to be signed soon.

S. Korean police arrest 100 opposition members

BY STEPHEN A. BUTLER IN SEOUL

SOUTH KOREAN police yesterday arrested at least 100 Government opponents in a continued crackdown against opposition efforts to launch a signature campaign to revise the constitution.

The crackdown marks a collapse in dialogue between the Government and the opposition, and there is little immediate hope for normalisation. The opposition yesterday vowed once again to continue with the signature campaign despite the Government's use of overwhelming police force to prevent it.

The campaign to revise the constitution has yet to be launched outside a small circle of opposition leaders, although a nationwide organisation has been gradually pieced together in recent months.

The constitutional amendment to allow for a direct election of the president is believed to be broadly favoured by the Korean electorate.

Mr. Kim Young-Sam, an opposition leader, was again placed under house arrest for 10 hours yesterday. The confinement prevented him from attending a morning rally outside the headquarters of the Council for the Promotion of Democracy (CPD), an organisation that he heads with Mr. Kim Dae-Jung.

Mr. Kim Dae-Jung, Korea's best-known dissident, has remained under house arrest since last Wednesday.

About 200 people last week signed petitions calling for constitutional amendments. The Government has said the campaign is a disguised attempt to undermine social order and has said it would take legal action against all involved.

Kathy Evans in Kuwait reports on the implications for the Gulf of the flare-up with Iraq

Cunning but risky Iranian offensive gains momentum

IRAN'S eight-day-old offensive in the Gulf war has sent shock waves through the Gulf region and dented the image of invincibility Iraqi defences had won along the length of the front line.

The attack, originally characterised by Tehran as "a warning to Iraq" is now assuming all the proportions of a major offensive, far larger than the annual operations which have become customary around religious and revolutionary occasions.

Day by day it is gaining momentum, militarily and politically, as the fighting nears Kuwait and reports come in of a second major attack poised to move through the Huwaziah marshes.

After a year of little more than skirmishes on the front, Iran was forced to launch a major attack to restore credibility back home, diplomats believe. Endless rhetoric about the war and the need for sacrifices from the people rang hollow when fighting was kept at such a low level.

There was also increasing criticism from militants in the regime about the new pragmatic style in Iranian foreign policy which has recently been so obvious towards the Gulf states. Iran's oil situation only added fuel to their arguments.

Recently Iran announced that it was cutting oil production in order to tighten the oil market. But diplomats believe it was not market considerations which accounted for the 50 per

cent cut in exports, but Iraq's successful attacks on the oil pumping terminal at Ganaveh. With oil accounting for 95 per cent of its budget revenues, Iran's economy must now be facing its most severe crisis since the start of the Gulf war more than five years ago.

The strategy Iran chose for the "Dawn Eight" offensive was cunning but risky. The southern option to try to cut Basra off from the south,

taking advantage of the weakest point in Iraqi defences, favoured Iran's human wave tactics, for the soft and muddy terrain is unsuitable for Iraqi artillery reinforcements.

Iraq always tries to avoid using infantry for fear of high casualties, which might prove unacceptable to its smaller population and armed forces. Moreover, the Fao route offered the Iranians an easier path to Umm Qasr, the Iraqi naval base.

The Iranians are already claiming to have locked up the remnants of the Iraqi navy in Umm Qasr and say they are shelling Safwan, the Iraqi town bordering Kuwait. Safwan has been frequently used as a conduit for military equipment for the Iraqis.

But the southern option was risky, for there was a danger of Iranian forces being hemmed in. Iraq, with its superior air force and missiles says it has already surrounded the Iranian positions, and it is only a question of time before they are finally "annihilated."

The Iranians, however, appear to have successfully maintained their supply routes, despite heavy bombing by the Iraqis.

The southern option through Fao using the Khor Abdullah waterway has put the Iranians within sight of Kuwaiti territory. Kuwait has responded by putting its army on high alert, but as its forces number only 12,000, its defences are largely diplomatic and based on a position of neutrality.

A senior Kuwaiti official



Tehran against the Gulf states, in particular Kuwait and Saudi Arabia.

Kuwait and the Gulf states have reacted to the growing closeness of the fighting by launching a diplomatic offensive. A debate was scheduled for today in the United Nations Security Council—which as usual, will be held in the absence of the Iranian delegate.

Syria, too, has been enlisted to help persuade Iran to end the conflict, but the prospect of a major change of heart from Damascus about its alliance with Iran, seems doubtful at present. The prospect clearly worries Tehran, however, for the Iranians have despatched senior officials to Libya and Algeria, their other allies in the region. At times, Iranian and Arab Ministers have been arriving in the same cities within hours of each other.

Kuwait, in the meantime, is remarkably relaxed considering the size of the armies locked in mortal combat yards away from the shore. There are no signs of panic and no apparent flight of people or money.

The continuation of calm will rely heavily however, on Iraq's air force and its ability to winkle the Iranian troops out of Fao quickly. If the fighting drags on much longer, or spreads from the peninsular westwards to the land border area of Kuwait and Iraq, then calm could change to fear very rapidly.

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To get a true perspective on Canary Wharf we had to go to Henley.

We're the first to admit that we're too close to Canary Wharf, the new 10 million square foot financial centre on the Isle of Dogs, to be totally unbiased.

But that can't be said about the people at The Henley Centre.

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Here are the highlights.

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Good news for Nigel Lawson

The Exchequer would gain £341 million to its annual flow of net income from increased income tax and National Insurance revenue (£223m) and reduced spending on benefits (£118m).

And the jobs that will result from the construction activity will produce net gains to the Exchequer of between £55 and £90 million a year.

Those are the main findings of The Henley Centre Report.

No doubt the more cynical among you may feel we've left out some facts that didn't suit our case.

Not true.

But don't take our word for it. Please write to us and we'll send you a complete copy of the Final Report.

CANARY WHARF

Not a notice

AMERICAN NEWS

Reagan initiative on exchange rates encourages Third World

BY STEWART FLEMING IN WASHINGTON

EVIDENCE that the US is moving cautiously towards endorsing initiatives designed to stabilise international exchange rates is being well received by developing countries who have been pressing for monetary reform. "This is definitely a very welcome development, something we have been saying quite forcefully," said Dr Arjun K. Sengupta, chairman of the working group of the group of 24 developing countries (G24). "It is necessary to have a review of the current exchange rate system in order to get greater stability of exchange rate movements."

Caribbean seeks US aid boost

BY CANUTE JAMES IN KINGSTON

LEADERS of eight English speaking Caribbean islands who are meeting President Ronald Reagan in Grenada on Thursday are to ask for increased aid and an improvement to a US trade programme for the region. Caribbean government officials say privately, however, that they do not expect Mr Reagan to meet the request. The President is making a four-hour visit to the 344 sq km island. In addition to meeting the Caribbean leaders, with whom he will discuss regional economic and security matters, he will unveil a monument to honour US soldiers killed in the invasion in 1983 which toppled a military junta which had taken power after killing Mr Maurice Bishop, the island's Socialist Prime Minister. The officials say the Caribbean request for more aid will be supported by references to the poor performance of the traditional crops of the islands' economies. Sugar, bananas,

intervention; and a mechanism "to trigger consultations whenever the indicators available suggest excessive short-term movements or misalignments of major currencies." The G24 is expected to hold further talks on these issues early next month prior to the interim committee meeting of the International Monetary Fund in April at which the issue of monetary reform is scheduled for debate. Dr Sengupta stressed that any reform should be structured in a way which encourages growth in developing countries. It was important to developing countries that a mechanism be established which triggers talks about monetary and fiscal policies. "Co-ordination is important to prevent (currency) fluctuations but also to create conditions favourable to growth in the world economy," he said. While the US budget deficit needed to be reduced, if other industrial economies did not expand then "you would achieve a so called stability at the expense of growth in the world economy."

UK stands firm on Falklands sovereignty

By Robert Maudner, Diplomatic Correspondent

BRITAIN'S refusal to discuss sovereignty over the Falkland Islands remains as firm as ever in spite of the offer by Mr Tim Eggar, a junior Foreign Office Minister, to meet a visiting delegation of four Argentine parliamentarians, the Foreign Office said yesterday. The parliamentarians are the guests in London of the South Atlantic Council, a group composed of MPs from all parties, academics and diplomats, the aim of which is to improve relations between the two countries. They are expected to have talks with Mr Eggar on Friday. Tomorrow they will meet Mr Alistair Cameron, the Falkland Islands' representative in London. The decision to make contact with the first Argentine parliamentarians to visit Britain since the Falklands conflict in 1982, the Foreign Office said that it was consistent with Britain's policy of seeking to improve bilateral relations with Argentina. However, it did not indicate any fundamental change in the British Government's policy which was that the people of the Falklands should be free to choose their own government. London's view is that an improvement in relations can only take place through practical measures which will lead to the restoration of normal trade, economic contacts and communications between Britain and Argentina as well as the Falkland Islands and Argentina.

BLAME MAY FALL ON SPACE AGENCY DECISION MAKERS Nasa fights to salvage reputation

BY NANCY DUNNE IN WASHINGTON

OFFICIALS of the commission appointed by President Reagan to investigate the space shuttle Challenger explosion will take their turn answering questions today as they describe the progress and form of their investigation before a Senate sub-committee. The hearing follows a week of revelations, which have led observers to conclude that the shuttle's January 28 tragedy will ultimately fall as much on decision-makers at the National Aeronautics and Space Administration as on failure of shuttle technology. Over the week-end, the commission ordered the removal of key Nasa shuttle managers from the investigation of the disaster. Mr William Graham, acting administrator of Nasa, dismissed Mr Philip Culbertson, a much-respected veteran, from his job as general manager of the agency, claiming "a tired senior management structure was proving too cumbersome and slow in the new environment."

Increasingly, the commission has seemed to centre its investigation on the solid fuel booster rockets, the O-rings sealing the joints in the boosters and the decision—which the commission has already said "may have been flawed" to go-ahead with the flight in temperatures 13 degrees below those of any previous launch. Documents released by Nasa have demonstrated long-standing concern about the strength of the booster equipment. In 1983 Nasa ordered structural changes in the shuttle to allow lifting heavier payloads at lower prices. The changes, thinner casings on the boosters and more powerful booster engines, put greater stress on the joints between the segments of the booster rockets. The agency approved the changes despite of year-long concern that the O-rings were not working as designed. In fact, Morton Thiokol, the company which makes the boosters, last year produced 43 design alternatives. But Nasa had not decided which way to proceed by January 23. Nasa engineers yesterday were processing photographs of rocket wreckage taken by a small manned submarine crew on the floor of the Atlantic. The debris is thought to be part of the right-hand rocket booster and may contain a more definitive answer about what went wrong about the Challenger.

Mary Frings reports on a businessman with an unusual style Churchillian spirit spotted in Texas

MRS NANCY REAGAN will lead the applause at a 1,500-guest banquet in Dallas tonight, when Prince Charles presents the Winston Churchill Award to a small unassuming Texan with crew cut hair and a French-sounding name.

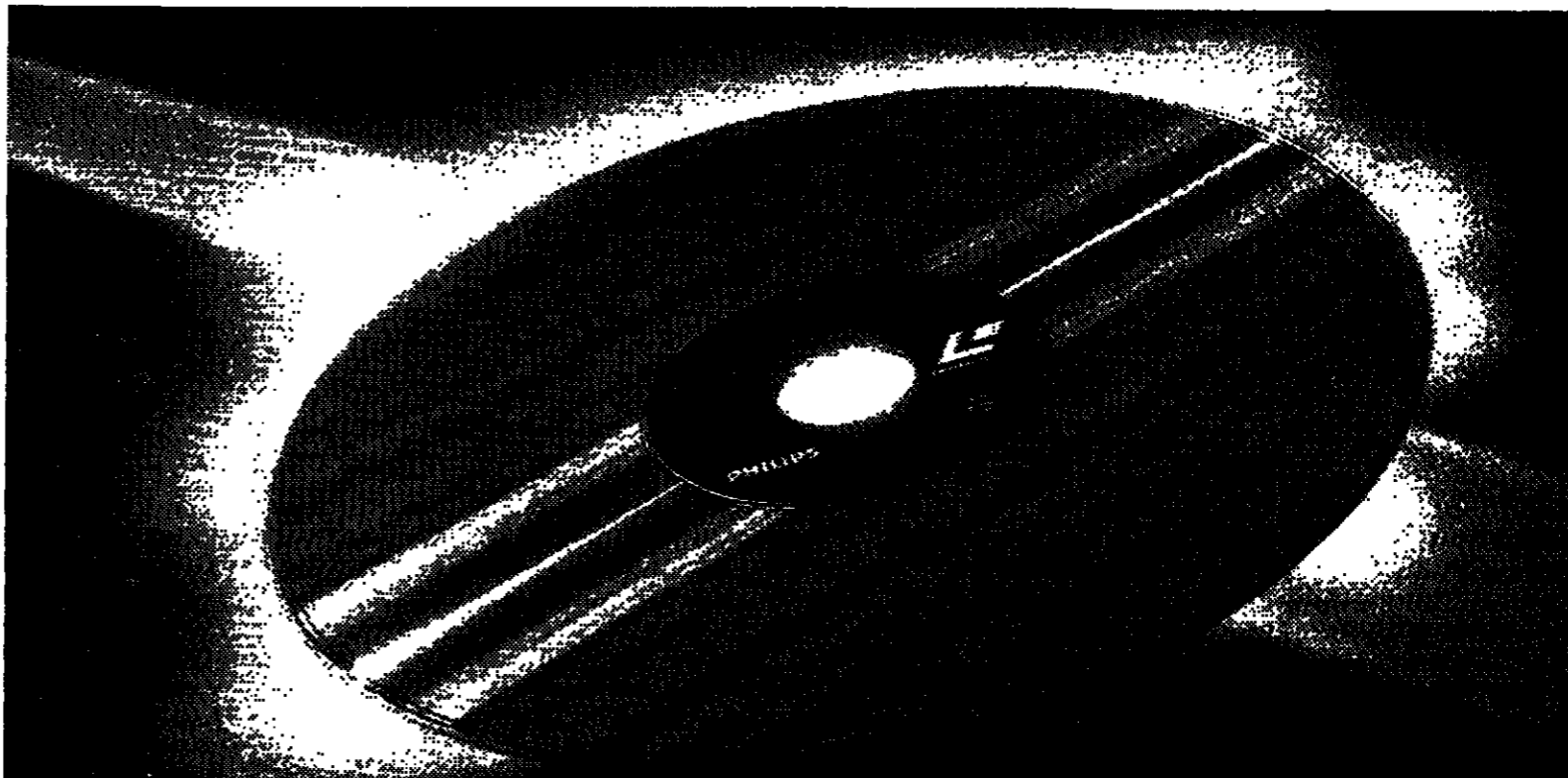


Mr Perot... Iranian mission

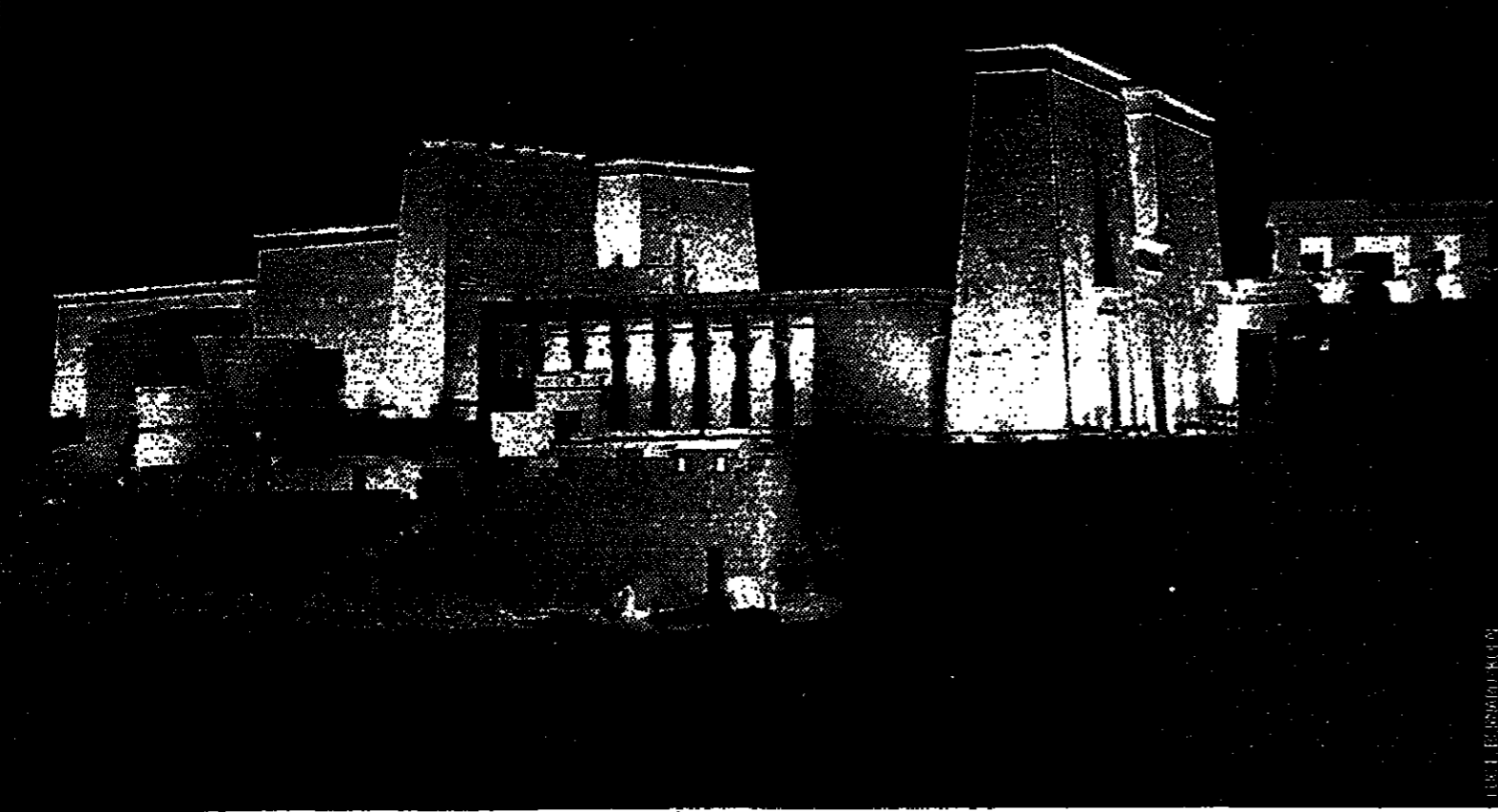
Mr H. Ross Perot is said to be the richest man in Dallas-Fort Worth. A former IBM computer salesman, he founded Electronic Data Systems (EDS), with an idea his company would not consider and \$1,000 of his own savings. When General Motors acquired EDS as an independent operating subsidiary in October 1984, it paid \$2.55bn and took Mr Perot onto the board as a director. The main purpose of the Winston Churchill Foundation in the US is to encourage Anglo-American co-operation by sending outstanding researchers and scientific scholars to Churchill College, Cambridge. Since 1989 it has selected over 200 winners, eight of whom went on to win Nobel prizes. Occasionally it gives awards to honour "those who epitomise the bold spirit of the former British Prime Minister." Only two have been made before, to Mr Averill Harriman, best known as administrator of America's wartime Lend-lease programme, and to Mrs Margaret Thatcher for her strong leadership.

Vietnam and chartered two Boeing 707s in an abortive attempt to send them medical supplies and Christmas dinners. When two of his employees were held hostage in an Iranian jail, he slipped into Iran himself to assure them that a private rescue mission was under way—an adventure which thriller writer Ken Follett turned into a 1983 best-seller, On Wings of Eagles. In Texas, successive state governors chose him to spearhead the war on drugs and the reform of the educational system. A sign at the door of Mr Perot's office reads: "Every good and excellent thing stands moment by moment on a razor's edge of danger, and must be fought for." That is the philosophy that in the systems design and management field has enabled EDS to go into competition with a giant like IBM and win. Mr Perot speaks of his "young EDSers" with pride; critics say he wants to own them body and soul, and much has been written about the disciplined, performance-oriented corporate culture which many of the 7,000 GM data processors who were transferred to EDS found very hard to take. Their dissatisfaction was understandable, since they were offered a less secure benefits package and the EDS system seemed to be the tail wagging the dog. Mr Perot says GM was to blame for not giving full explanations beforehand—but the 800 or so employees who opted for early retirement probably would not have fitted in at EDS anyway. Although staff numbers have grown from 15,000 to 40,000 since the GM merger, Mr Perot is determined that creativity and efficiency should not be compromised. "If an EDSer sees a snake he kills it. In your typical big corporation a report goes to management and a consultative committee is called in. Two years later someone decides snakes have rights too." Protocol does not exist at EDS. Mr Perot stands in line for his lunch at the company cafeteria, and an employee meeting him in the corridor is liable to say: "Look, Ross, this needs to be changed and I think..." He says ideas often come from "people so young they have no right to have ideas of that quality"—but they have to argue them out and "no one can send me a memo." Mr Perot applies the same principle to his political thinking. "The nature of a free society is turbulence, because everyone has his view and expresses it. Leaders have to be strong enough to develop a consensus."

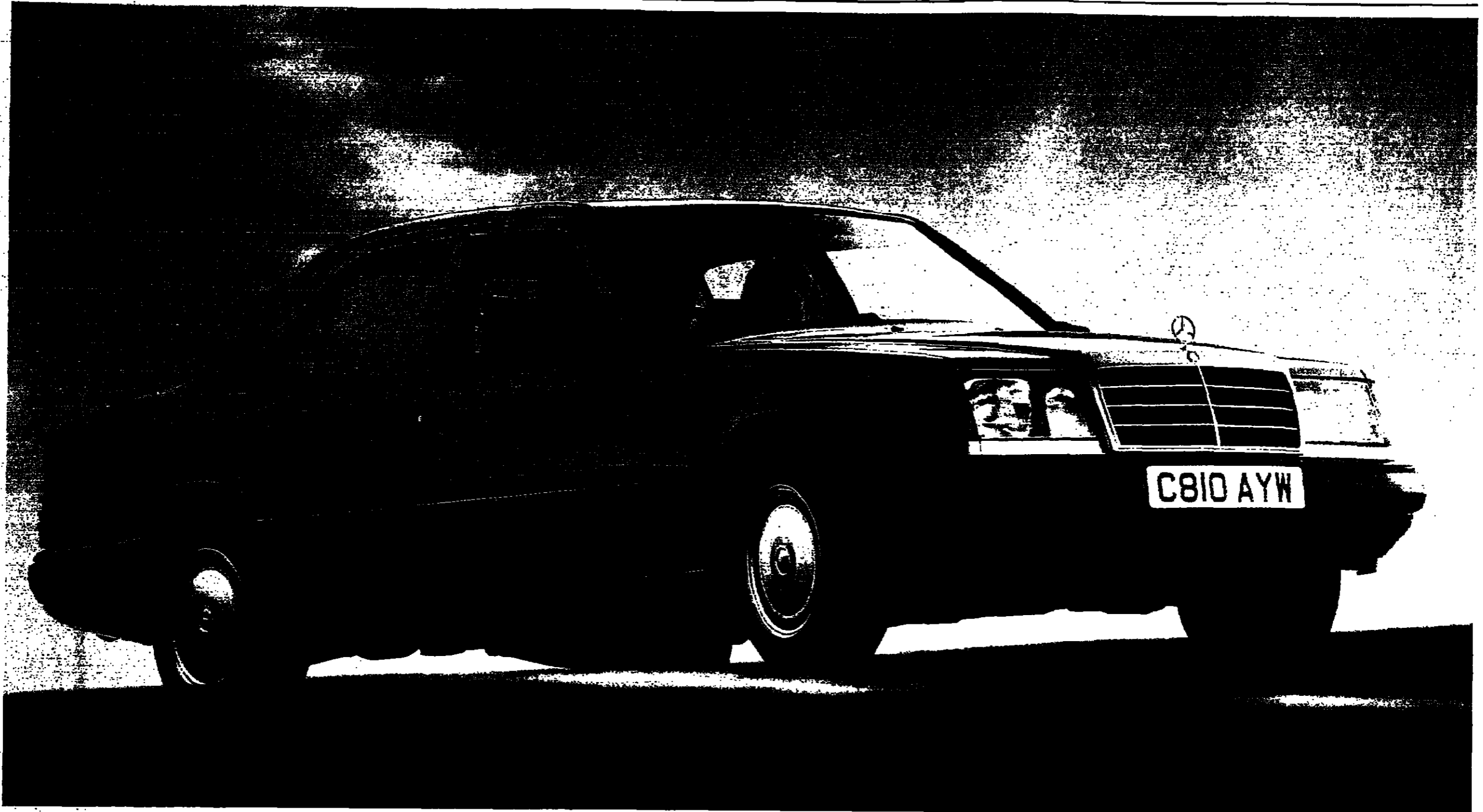
Philips advanced LaserVision optical disc system contrasts sharply with the tools that were available to William the Conqueror when he compiled the famous 'Domesday Book' describing life in England 900 years ago. Today, an ambitious new record of British society, being prepared by the BBC in collaboration with the UK government and Philips, will comprise hundreds of thousands of pages of maps, data and photos. All of it stored on only two LaserVision discs, for interactive selection and colour TV viewing. Invented by Philips, LaserVision's incredible storage capacity is matched only by its virtually timeless memory. Picture and sound quality start perfect and stay perfect - keeping the past alive for the future.



Philips-keeping the past alive for the future.



In addition to recording today's society, Philips technology is also being used to portray the life and culture of the past. At Egypt's ancient Temples of Philae, the spectacular 'Son et Lumière' medium recreates the majesty and legend of early Egypt before large audiences. Blending the technologies of light and sound with the artistry of modern theatre, 'Son et Lumière' was developed by Philips, and adds its own extra dimension to cultural events the world over. Philips. The sure sign of expertise worldwide.



The new Mercedes-Benz 200-300E series. Shrinks the miles. Stretches the imagination.

The Mercedes-Benz 200-300E series represents a totally new generation of medium-sized cars.

New from the ground up and from numberplate to numberplate. Yet the cars are still classically Mercedes-Benz.

In achieving this, we have re-defined the standards for cars of this size. Rewritten the ride-versus-handling equation.

And revived the pleasure of motoring.

Engineered to be effortless.

In the new 200-300E series, the driver can feel instantly at ease with his machine.

The engines only whisper their presence, the progressive power-assisted steering transmits a precise feel of the road. The dynamic handling characteristics inspire confidence at all times.

And with six engine options, you can choose precisely the right power for your needs, from brisk to distinctly sporty.

Model	Engine size (cc)	Cylinders	Transmission (standard)	Horsepower (DIN)	Top speed (mph)	0-100 kph (0-62 mph)	Price (£)
Petrol 200	1997	4	5-speed manual	109	116	12.6 secs	12500
230E	2299	4	5-speed manual	136	126	10.4 secs	13665
260E	2599	6	4-speed auto	166	133	9.5 secs	16170
300E	2962	6	4-speed auto	188	139	8.2 secs	17840
Diesel 2500	2497	5	5-speed manual	90	108	16.2 secs	13790
300D	2998	6	5-speed manual	109	118	13.7 secs	15600

Each one delivers its power in a relaxed, leisurely manner. For instance, at 70mph the 230E engine is turning over at under 2500 rpm.

There are useful reserves of power built in, too. The 300E will comfortably reach 139mph.

Naturally, with this power and performance, handling and suspension have to be exceptional.

Not surprisingly the 200-300E series probably has the most highly-developed steel suspension system on any saloon car in the world. This gives the driver the confidence to take fast bends in a relaxed manner, without ruffling his passengers.

And when you need to cut the performance and come to a standstill, the massive 4-wheel dual circuit disc brakes will see to it that you come speedily to a halt in a most undramatic manner.

Engineered to be safe.

The 200-300E series is yet another celebration of Mercedes-Benz' dedication to safety.

The passenger compartment has been made even more resistant to lateral impacts and roll-over accidents.

The front seat belts have unique electronic tensioners which work instantly in the event of a severe head-on impact, to give maximum restraint.

In order to maintain the clearest possible view of the road ahead in heavy rain, Mercedes-Benz have taken a whole new look at the windscreen wiper. Their new eccentric-sweep version cleans an unprecedented 86% of the screen.

And, with optional ABS anti-lock braking, no combination of road surface or weather conditions will prevent you from retaining

total steering control during an emergency stop—because each wheel will give maximum braking power without skidding.

Engineered to be economical.

Science and engineering have joined forces to produce engines for the 200-300E series that have greater performance than before, with far greater economy.

Critically balanced crankshafts, reduced masses and lower friction losses combine to extract the maximum drop of power from the minimum drop of fuel.

Add to this the aerodynamically sculptured bodies, using weight saving materials, and you'll begin to see why the average* fuel consumption figures for the new 200-300E series are at least 17% better than the figures for the comparable previous models.

The new 200-300E series offers the driver the perfect balance between everything he seeks in a car. The driving experience is smooth and effortless, yet the dynamics of the new suspension and power units encourage sporty driving.

In true Mercedes-Benz style, the 200-300E is made to be enjoyed, and admired, for a long time to come.



Mercedes-Benz

Engineered like no other car in the world.

Official Fuel Consumption Figures - mpg (l/100km).
200 5-speed manual: Urban 25.1 (11.2), 56mph 46.1 (6.1), 75mph 36.7 (7.7). 230E 5-speed manual: Urban 25.4 (11.1), 56mph 45.8 (6.2), 75mph 36.8 (7.7). 260E 4-speed automatic: Urban 23.3 (12.1), 56mph 34.4 (8.2), 75mph 28.5 (6.9). 300E 4-speed automatic: Urban 22.8 (12.4), 56mph 34.0 (8.3), 75mph 28.2 (10.0). 2500 5-speed manual: Urban 21.6 (8.9), 56mph 52.1 (5.4), 75mph 40.3 (7.0). 3000 5-speed manual: Urban 29.9 (9.5), 56mph 52.5 (5.4), 75mph 40.6 (7.0).
*Average based on one third each of Urban/56/75 mph fuel consumption figures.

THE ARTS

British Museum/William Packer

The right lines and a human touch

The British Museum has filed the long show cabinets of its Prints and Drawings department...



'Retribution,' a pen and ink drawing of 1854 by Millais

There are three very fine Restoration portrait drawings, including one of a remarkably pretty girl by John Greenhill...

consideration here, but are strongly recommended. The kind of concentration required and cultivated by the drawings...

primary importance, though each is remarkable and beautiful, and none is at risk. The British Museum surely has items enough to make some small high in this way all the time without recourse to the special excuse of an event for the handicapped.

exhibition of sculpture or fine craft, or general collection, should have certain items to touch and handle as a matter of course.

Verdi's Macbeth/Genoa, Italy

William Weaver

In piazza De Ferrari, the heart of commercial Genoa, the ruins of the noble Teatro Carlo Felice stand as a silent witness to the city's history...

not conduct badly, but he had poor materials to work with. We know from the letters and documents how much the staging of Macbeth meant to Verdi. Needless to say, all the composer's visual demands were disregarded.

Saarbrücken Film Festival

Ronald Holloway

Each year in mid-January Saarbrücken, a West German town on the French and Luxembourg borders, becomes a mecca for 'new name' and 'new generation' film directors...

Arts news in brief...

The board of directors of the Edinburgh Festival Fringe Society has appointed Elizabeth Mackenzie-Robinson as its new administrator. She has been an associate administrator since December 1982.

ECO & Barenboim/Festival Hall

Dominic Gill

Daniel Barenboim was on such commanding form for his concert with the English Chamber Orchestra on Sunday afternoon that one was all the sorer...

Rozhdestvensky/Barbican

David Murray

Gennadi Rozhdestvensky's third concert with the LSO, on Sunday evening, also included his wife Viktoria Postnikova in Chaikovsky's Piano Concerto no. 1...

New York Dance

Frank Lipsius

The vintage talents and pizzazz of the Harlem nightclub scene between the wars are re-created in Uptown... It's Hot at the Lunt Fontanne in New York City.

Advertisement for The Distressed Gentlefolk's Aid Association, featuring a photo of Johnny Morris and text about financial aid for the elderly.

Arts Guide section listing opera and ballet performances in West Germany, London, Italy, and Vienna for the week of Feb 14-20.

Saleroom/Antony Thorncroft advertisement for a watch auction, featuring a photo of a watch and text about the sale of various timepieces.

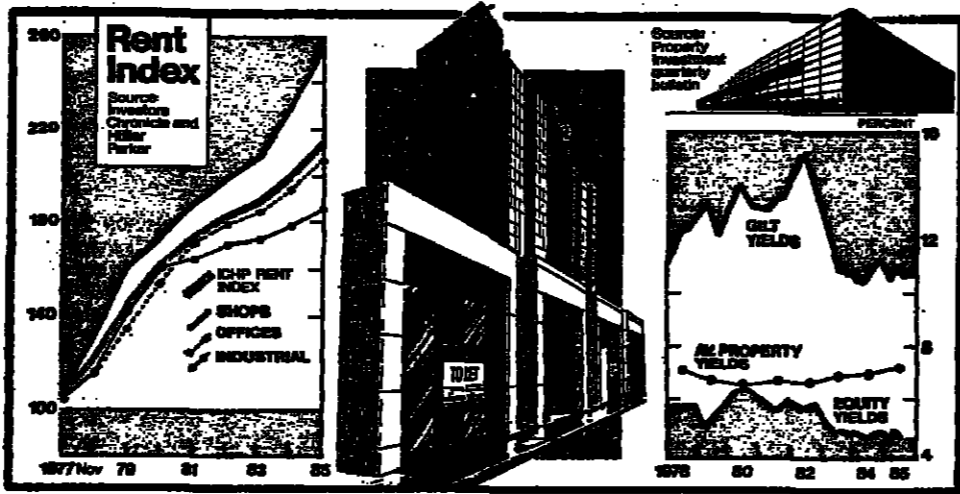
UK PROPERTY MARKET

At last some excitement

By Michael Cassell, Property Correspondent

AFTER FIVE years sleep, the UK property investment market has taken as many days to wake up... Last week began with a well-orchestrated leak suggesting that Trafalgar House was casting an acquisitive eye at M&G...

counterparts, are springing up from Bristol in the west to Cambridge in the east... Through there are now clear indications that investment in shops, buoyed up by the continuing consumer boom, has become overvalued...



landlords. Many of the purchases performed exceptionally well and, by the late 1970s, overall returns from direct property investment surpassed gilts and equities... By the start of the 1980s, property accounted for 25 per cent or more of many institutional investment portfolios...

1985 to show a 4.5 per cent overall gain and falling 10 per cent against the rest of the market... The reawakening seems to stem not so much from any expectation of abnormally high growth rates but rather the relatively bearish medium-term predictions for the equity and gilt markets...

has to be seen as a welcome indicator that the market is picking up... The hottest competition, however, is going to centre on opportunities for creating new projects... After dominating the market for major development opportunities, many of the funds, chastened by the weak performance of their property portfolios, have been back-tracking...

Lombard Pragmatism on exchange rates

By Philip Stephens

Serious advocates of a return to a system of managed exchange rates should view Washington's apparent enthusiasm for an International Monetary Conference with alarm... Everyone was agreed in what direction currencies ought to move and to some extent which should move faster than others... Thus the dollar had to fall and, if possible, it should drop faster against the yen than the Deutsche Mark...

Competition policy

From Mr H. Shatt... Sir, Your Editorial on merger policy (Feb 12) issues an important message which requires fuller examination than you gave it, namely the implications of the argument that the internationalisation of markets justifies disregarding the threat of excessive concentration...

Letters to the Editor

By far the most cost-effective way to do this is by building on the foundations laid in last year's Budget when tax reliefs were granted partly through higher thresholds and partly through cuts in employee national insurance contributions for low paid workers... Containing this policy would allow the Chancellor to improve the take-home pay of all workers earning up to £160 per week by an amount between three and ten times greater than that which would be achieved by a cut in the standard rate of income tax...

It would now appear that my worst fears are being realised. Apparently to protect the defaulting ITC, a scheme is being arranged which will put a squeeze on those perfectly innocent traders who have been unable to close their open position in tin because of the suspension of the market... The only reason that these traders would have to buy tin as soon as the market reopens is because tin trading has been suspended and that they have not been granted the normal three months flexible trading time that they would have expected when they opened their position...

the string of the towers. Public opposition has apparently already secured a move of the towers some way to the eastern part of the development so that they will not be on the main axis of the view of the Isle of Dogs from Greenwich Park over the Royal Naval College... It is a sad reflection on the quality of modern high rise buildings in this country that so many people cannot imagine skyscrapers which actually enhance a view. The design of the three towers is as yet unknown but it is quite likely that they will improve distant views of the Isle of Dogs...

Privatisation and popularity... From the Chairman, Associated British Ports Holdings... Sir, Lombard (February 13) asks the interesting question "Why is privatisation so popular with the British people?" and has suggested several possible answers... There is one point, however, which Mr Kalatsky did not bring out in his interesting article. It is that privatisation is highly popular within the industries which have been privatised...

Fair dealing in tin... From Mr V. Harrison... Sir—I write again with reference to the rescue plan being negotiated for the International Tin Council which as readers know, has got itself into severe difficulties on the London Metal Exchange when it did not have the financial resources to carry on trading... I wrote last December, suggesting that the behind the scenes negotiations were being carried out to rescue the International Tin Council with complete disregard for those traders who have traded in normal and honest way on the Metal Exchange and who now hold open short positions in tin...

Canary Wharf development... From Mr M. Goldson... Sir—it is not only the residents of the Isle of Dogs who are worried about the Canary Wharf development (February 13). At a presentation to the Greenwich Society in January the developers had a rough ride and that was from an audience whose main concern was the view of the towers from south of the river. The meeting passed a resolution approving the development in principle but expressing concern about both the height and...

Advertisement for Trade Indemnity Export Credit Insurance. Features a large image of a globe with a circular logo. Text includes: 'What you need to make export a safer word.', 'A Trade Indemnity Export Credit Insurance Policy has always helped exporters manage their financial risk better. Now we can offer them even more.', 'FAST, WELL-INFORMED SERVICE', 'MORE POLICIES - GREATER FLEXIBILITY', 'COMPETITIVE PRICES', 'EXPORT CREDIT INSURANCE', 'Trade Indemnity', 'Contact your credit insurance broker or Yvette Court for a comprehensive brochure. Ring her on 01-739-4311 or write to her at: Export Division, Trade Indemnity plc, Trade Indemnity House, 12-34 Great Eastern Street, London EC2A 3AX.'

INTL. COMPANIES & FINANCE

Bell gives revised BHP bid terms

BY LACHLAN DRUMMOND IN MELBOURNE

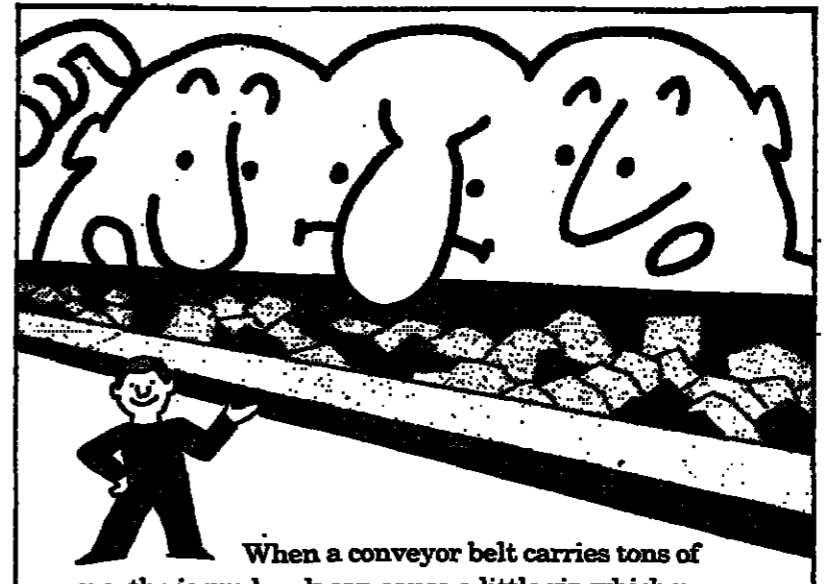
BELL RESOURCES, controlled by Mr Robert Holmes & Court, yesterday revealed its detailed bid terms for Broken Hill Proprietary (BHP)...

shares to be issued. But the statistical assumptions suggest these limits will not be pressed, limits which in any case appear as flexible as Bell's remaining legal conditions on the bid would make them.

Receiver appointed for Sigma International

By Wong Sulong in Kuala Lumpur

SIGMA INTERNATIONAL, a Singapore listed company controlled by Mr Tan Koon Swan, the Malaysian businessman and politician...



When a conveyor belt carries tons of ore, the jagged rock can cause a little rip which may become a big tear.

MIM Holdings plans A\$200m rights issue

By Kenneth Marston, Mining Editor

MIM HOLDINGS, the Australian base metal and coal producer, yesterday announced a rights issue to raise some A\$200m...

Special payout from Aberdare

BY JIM JONES IN JOHANNESBURG

ABERDARE CABLES, South Africa's leading electrical cable maker, has boosted its total dividend for last year from 25 cents a share to 32 cents...

from declaring dividends to foreign shareholders from profits earned before 1994.

Almost all the increase in the payout comes, however, in what the company describes as an extraordinary dividend of 55 cents.

The board believes demand for cables to drop this year, although a substantial increase in sales of optical fibre cables is expected.

Pacific Dunlop boosts earnings 34%

BY OUR FINANCIAL STAFF

PACIFIC DUNLOP, the Australian maker of industrial and consumer goods known formerly as Dunlop Olympic, boosted net profits 34 per cent to A\$28m (US\$36.5m) in its first half to December.

the 1984 period. The write-offs were on goodwill from a series of acquisitions which Sir Brian Massy-Greene, the chairman, said yesterday had significantly strengthened the group.

Pioneer back to profits

BY YOKO SHIBATA IN TOKYO

PIONEER ELECTRONIC, the Japanese audio equipment maker, swung back into the black in its consolidated net result for the first quarter to December 1985, despite the steep appreciation of the yen.

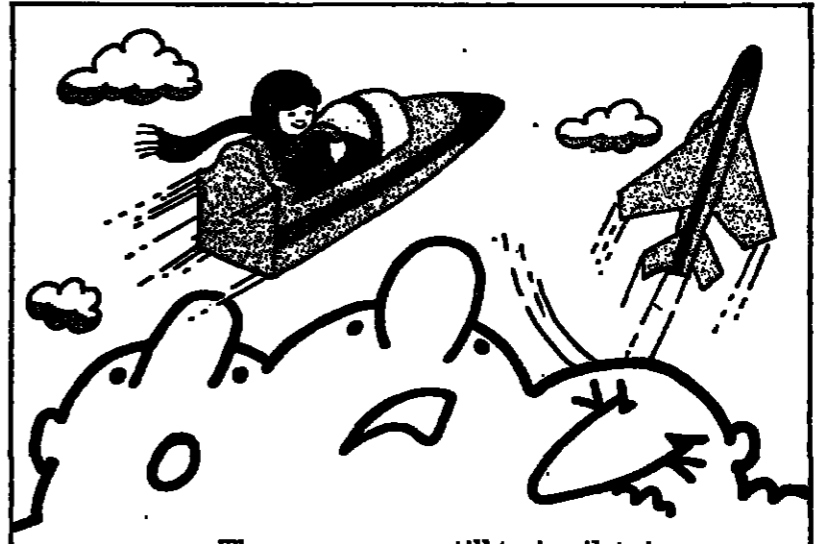
previous year, on sales of ¥94,560m, up 11.9 per cent. Domestic sales advanced by 20 per cent.

Advance at Nippondenso

BY OUR TOKYO STAFF

NIPPONDENSO, the manufacturer of electronic car components which forms part of the Toyota group, lifted parent pre-tax profits by 11.4 per cent to ¥91bn (\$500m) last year.

A heavier depreciation burden resulting from higher capital investment for capacity expansion and rationalisation, and higher research and development expenses were outweighed by the effects of volume production and the rationalisation moves.



They say you can still train pilots in a flight trainer that teaches only instrument flying. But Goodyear said, "Obsolete," and helped create a new flight simulator that gives pilots the sights as well as the feel and sound of flying.



They say you have to change marketing strategy at every foreign border. But Goodyear said, "Now hear this!" And reorganized to market and advertise on a global basis and communicate in the universal language of quality and performance.



Sometimes, it just doesn't pay to listen to what "they" say.

GOODYEAR

Investor contact: Hanan & Associates AG Zurich, Switzerland. Telephone: 01 221 4090

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LINFIN CORPORATION U.S.\$275,000,000 Collateralized Floating Rate Notes due 1995

THE KINGDOM OF DENMARK THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK

The Korea Development Bank US \$100,000,000 Floating Rate Notes due 2000

NOTICE OF PREPAYMENT THE DAIWA BANK, LIMITED (Incorporated in Japan) US\$200,000,000 Callable Negotiable Floating Rate Dollar Certificates of Deposit

1100,000,000 Guaranteed Floating Rate Notes due 1991 Citicorp Overseas Finance Corporation N.V.

U.S. \$400,000,000 BANQUE FRANÇAISE DU COMMERCE EXTERIEUR Guaranteed Floating Rate Notes Due 1997

BANQUE INDOSUEZ US\$200,000,000 Floating Rate Notes Due 1997

Ireland £50,000,000 Floating Rate Notes 1983

Exceptional Performance

In a period of increasing global M&A activity, First Boston/Credit Suisse First Boston acted as financial adviser on more than 190 mergers, acquisitions, divestitures and leveraged buyouts, and ranked Number 1 in *Corporate Financing Week's* tally of 1985 merger and acquisition transactions. First Boston/Credit Suisse First Boston advised on 7 of the 10 largest deals, more than any other investment banker, and over 75 transactions greater than \$100 million. These included the year's largest non-oil international merger and the two largest leveraged buyouts. At the same time, more than one third of First Boston/Credit Suisse First Boston's transactions were greater than \$50 million.

This record reflects the unique global capabilities of First Boston/Credit Suisse First Boston's 100-person Merger and Acquisition Group, with M&A professionals in New York and London as well as Atlanta, Boston, Chicago, Dallas, Los Angeles, and San Francisco.

INTERNATIONAL

Acquiring Company	Acquired, Selling or Target Company	Assignment or Form of Transaction	Approximate Size of Transaction
Nestlé S.A.	Carnation Company	Cash Tender Offer	\$3,000,000,000
W. R. Grace & Co.	Deutsche Bank AG	Repurchase of 26% Interest (Pending)	598,000,000
Texaco Canada Inc.	Texaco Inc.	Divestiture of Canadian Reserve Oil and Gas Ltd.	495,000,000
Atlantic Petroleum Corporation	Atlantic Richfield Company	Purchase of Philadelphia Refinery and Associated Service Station Operations in New York and Pennsylvania	420,000,000
Beecham Group p.l.c.	Pantry Pride, Inc.	Purchase of Norcliff Thayer and Reheis Chemical	395,000,000
First Boston, Inc. Investor Group	Dunlop Holdings plc	Leveraged Buyout of Dunlop Tire Corporation, a subsidiary of Dunlop Holdings plc, with Management and First Boston as Investors	193,000,000
Reckitt & Colman plc	CIBA-GEIGY AG	Divestiture of Airwick Group	193,000,000
Svenska Tobaks AB	GrandMet USA, Inc.	Purchase of The Pinkerton Tobacco Company	138,000,000
Klöckner-Humboldt-Deutz AG	Allis-Chalmers Corporation	Purchase of Agricultural Equipment Division and Allis-Chalmers Credit Corporation	107,000,000
Nationale-Nederlanden N.V.	National Distillers & Chemical Corporation	Divestiture of Indiana Insurance Co.	105,000,000
M.I.M. Holdings Limited	Weeks Petroleum Limited	Purchase of 14.5% Interest in ASARCO Incorporated	98,000,000
Unilever N.V. and Industrias Gessy-Lever Limitada	Anderson, Clayton & Co.	Divestiture of Brazilian subsidiary, Anderson, Clayton S.A. Industria e Comercio (Pending)	77,000,000
CIBA-GEIGY AG	Spectra-Physics, Inc.	Purchase of 20% Interest	44,000,000
Esselte Business Systems Inc.	Boorum & Pease Company	Cash Tender Offer	43,000,000
Aachen and Munich Holding Company	Academy Insurance Group, Inc.	Sale of Newly Issued Convertible Debt (Pending)	39,000,000
Unilever N.V.	Anderson, Clayton & Co.	Divestiture of Mexican subsidiary, Anderson, Clayton & Co., S.A. (Pending)	36,000,000
Blagden Industries plc	City Investing Company	Divestiture of European Manufacturing Operations of City Investing International, Inc.	35,000,000
M. Eguizabal	La Direccion General Del Patrimonio Del Estado Espanol and Rumasa, S.A.	Divestiture of Diez-Merito, S.A. and Bodegas Internacionales, S.A.	35,000,000
Allied Lyons plc (through its wholly owned subsidiary Harveys of Bristol Limited)	La Direccion General Del Patrimonio Del Estado Espanol and Rumasa, S.A.	Divestiture of Fernando A. De Terry, S.A. and Palomino Y Vergara, S.A.	26,000,000
Agfa-Gevaert, Inc., a subsidiary of Bayer AG	Matrix Corporation	Purchase of 10% Interest	22,000,000
Ing. C. Olivetti & C., S.p.A.	Docutel/Olivetti Corporation	Merger for Cash	20,000,000
Bralorne Resources Limited	Mark Products, Inc.	Merger for Cash	19,000,000
Co Op Aktiengesellschaft	La Direccion General Del Patrimonio Del Estado Espanol and Rumasa, S.A.	Divestiture of Garvey, S.A.	17,000,000
Barrick Resources Corporation	Texaco Inc.	Divestiture of Getty Gold Mine Company	Undisclosed
Caribbean Bottling Company (Bahamas) Limited	Coca-Cola Bottling Co. Consolidated	Divestiture of Caribbean Bottling Limited	Undisclosed
Charterhouse Group International, Inc.	Allied-Signal Inc.	Divestiture of C & D Power Systems (Pending)	Undisclosed
Credit Suisse	Max Grundig-Stiftung	Divestiture of Grundig Bank	Undisclosed
The Deceuninck Family	City Investing Company	Divestiture of Deceuninck Group (Belgian and other foreign companies)	Undisclosed
Fuji Photo Film (Europe) GmbH and Borsumij Investment B.V.	City Investing Company	Divestiture of Photofinishing Holding International B.V.	Undisclosed
Hong Leong Corporation Ltd.	City Investing Company	Divestiture of Rheem (Far East) Pte. Ltd.	Undisclosed
Hosokawa Micron Corporation	Ashland Oil, Inc.	Divestiture of U.S. Filter Systems, Inc.	Undisclosed
Ingenieria Empresarial C. por A.	Coca-Cola Bottling Co. Consolidated	Divestiture of Refrescos Nacionales, C. por A.	Undisclosed
A New Corporation Organized By Inuvialuit Development Corporation and Nunasi Corporation	Ministry of Transport—Government of Canada	Privatization of Northern Transportation Company Limited	Undisclosed
Kawasaki Steel Corporation	General Electric Company	Purchase of Thermal Systems Division	Undisclosed
Metropolitan Life Insurance Company	American General Corporation	Purchase of Albany Life Insurance Company, Ltd.	Undisclosed
Negri River Corporation Limited and Grant's Patch Mining Limited	Amselco Exploration Inc., a subsidiary of BP North America, Inc.	Divestiture of Colosseum Gold Project (Pending)	Undisclosed
Orsan S.A., an affiliate of Lafarge Coppée S.A.	Celanese Corporation	Divestiture of Ag Products Group	Undisclosed
Priha Oy	Texaco Inc.	Divestiture of Chembond Corporation	Undisclosed
Rheem Empreendimentos Industriais E. Comerciais S. A.	City Investing Company	Divestiture of Rheem Metalurgica S.A.	Undisclosed
Suntory International Corp.	Kentwood Spring Water, Inc.	Merger for Cash	Undisclosed
Time Incorporated	Asiaweek, Ltd.	Purchase of 80% Interest	Undisclosed
United Investors Limited	Coca-Cola Bottling Co. Consolidated	Divestiture of Wometco Newfoundland, Limited	Undisclosed
Utah International Inc.	Texaco Inc.	Divestiture of 50% Interest in the Escondida copper deposit (Pending)	Undisclosed

Note: First Boston's clients are indicated by bold print.

Continued on following page

The First Boston Corporation
Credit Suisse First Boston Limited

Leadership in Mergers Acquisitions and Divestitures 1985

DOMESTIC U.S.

Acquiring Company	Acquired, Selling or Target Company	Assignment or Form of Transaction	Approximate Size of Transaction
Philip Morris Companies Inc.	General Foods Corporation	Cash Tender Offer	\$5,700,000,000
General Motors Corporation	Hughes Aircraft Company	Merger for Cash and General Motors Class H Common Stock	5,122,000,000
Allied Corporation	The Signal Companies, Inc.	Cash Tender Offer/Common Stock Merger	5,000,000,000
Baxter Travenol Laboratories, Inc.	American Hospital Supply Corporation	Merger for Cash and Securities	3,800,000,000
United States Steel Corporation	Texas Oil & Gas Corporation	Merger for Common Stock (Pending)	3,560,000,000
Capital Cities Communications, Inc.	American Broadcasting Companies, Inc.	Merger for Cash and Warrants (Pending)	3,500,000,000
The Coastal Corporation	American Natural Resources Company	Cash Tender Offer	2,500,000,000
American Television and Communications, Inc., Tele-Communications, Inc., et al.	Westinghouse Electric Corporation	Divestiture of Group W Cable, Inc. (Pending)	2,100,000,000
Kohlberg Kravis Roberts & Co. Investor Group	Allied Corporation	Divestiture of 50% Interest in Union Texas Petroleum Corporation	1,700,000,000
Mesa Partners (Mesa Petroleum/Wagner-Brown)	Phillips Petroleum Company	Takeover Defense (Tender Offer Unsuccessful)	1,380,000,000
Cox Enterprises, Inc.	Cox Communications, Inc.	Exchange Offer for Debt Securities	1,300,000,000
MidCon Corp.	United Energy Resources, Inc.	Cash Tender Offer	1,150,000,000
Various Buyers	San Company, Inc.	Merger for Cash and Common Stock	850,000,000
Taft Broadcasting Company	Gulf Broadcast Company	Divestiture of Certain Oil and Gas Properties (Pending)	755,000,000
Home Group, Inc.	City Investing Company	Purchase of Broadcast Properties	720,000,000
Rorer Group, Inc.	Pantry Pride, Inc.	Spin-Off to Shareholders of 100% Ownership in Home Group, Inc.	690,000,000
International Minerals & Chemical Corporation	Avon Products, Inc.	Purchase of Revlon Pharmaceutical Business (Pending)	675,000,000
THL Holdings Inc.	SCOA Industries Inc.	Merger for Cash and Exchangeable Preferred Stock	637,000,000
FPL Group Inc.	Colonial Penn Group, Inc.	Merger for Cash (Pending)	565,000,000
Kohlberg Kravis Roberts & Co. Investor Group	City Investing Company	Divestiture of Motel 6, Inc.	565,000,000
Citizens and Southern Georgia Corporation	Landmark Banking Corporation of Florida	Merger for Common Stock	508,000,000
Ford Motor Company	National Intergroup, Inc.	Purchase of First Nationwide Financial Corporation	493,000,000
Security Pacific Corporation	Arizona Bancwest Corporation	Merger for Cash (Pending)	480,000,000
Time Incorporated	Southern Progress Corporation	Merger for Cash and Equivalents	480,000,000
SFN Holding Company	SFN Companies, Inc.	Merger for Cash and Exchangeable Preferred Stock	476,000,000
Gibbons, Green, van Amerongen Investor Group	Ralston Purina Company	Divestiture of Foodmaker Inc.	450,000,000
Ford Motor Company	Sperry Corporation	Purchase of New Holland Farm Equipment Business (Pending)	440,000,000
Owens-Corning Fiberglas Corporation	Aimco Inc.	Divestiture of HITCO, Ladish Co., and Oregon Metallurgical Corporation	417,000,000
Sovran Financial Corporation	Suburban Bancorp	Merger for Common Stock (Pending)	405,000,000
Berkshire Hathaway Inc.	The Scott & Fetzer Company	Merger for Cash (Pending)	402,000,000
Citizens and Southern Georgia Corporation	The Citizens and Southern Corporation (S.C.)	Merger for Cash (Pending)	395,000,000
G.D. Searle & Co.	Certain Searle Family Trusts	Divestiture of 15% Interest	384,000,000
Emerson Electric Co.	Automatic Switch Company	Merger for Common Stock	374,000,000
The Pillsbury Company	Diversifoods Inc.	Cash Tender Offer	370,000,000
Union Bancorp	United Bancorp of Arizona	Merger for Cash (Pending)	335,000,000
Wesray Capital Corporation	Beneficial Corporation	Divestiture of Western Auto Supply Company	315,000,000
Coca-Cola Bottling Co. Consolidated	WEI Enterprises Corporation	Purchase of Wometco Coca-Cola Bottling Company	300,000,000
Castle & Cooke, Inc.	Flexi-Van Corporation	Merger for Common and Preferred Stock	290,000,000
Lincoln National Corporation	The Western Casualty and Surety Company	Merger for Cash	270,000,000
Metropolitan Life Insurance Company	Transworld Corporation	Divestiture of Century 21 Real Estate Corporation	252,000,000
Scripps-Howard Broadcasting Company	WXYZ-TV Detroit, Michigan and WFTS-TV, Tampa, Florida	Purchase of Assets (Pending)	246,000,000
Kidex Corporation	Dysan Corporation	Merger for Common Stock	236,000,000
First Boston, Inc. and Kelso & Company Investor Group	American Sterilizer Company	ESOP Leveraged Buyout and Cash Tender Offer with Management, First Boston, and Kelso & Company as Investors	230,000,000
Allegheny Beverage Corporation	City Investing Company	Divestiture of Servomation Corporation	225,000,000
National Distillers & Chemical Corporation	Reliance Group Holdings Inc.	Purchase of Pargas Inc.	225,000,000
Society Corporation	Centran Corporation	Merger for Cash and Common Stock	220,000,000
Madison Resources, Inc.	Adobe Oil & Gas Corporation	Merger for Common and Preferred Stock	215,000,000
Midlantic Bank, Inc.	Heritage Bancorporation	Merger for Cash and Common Stock	206,000,000
USLICO Corporation	International Bank	Merger for Cash, Notes and Common Stock (Pending)	199,000,000
Colt Industries, Inc.	Walbar Inc.	Cash Tender Offer	198,000,000
Crane Co.	UniDynamics Corporation	Cash Tender Offer	194,000,000
Houston Industries Incorporated	Fluor Corporation	Divestiture of Oil and Gas Operations	190,000,000
Eastman Kodak Company	Verbatim Corporation	Cash Tender Offer	175,000,000
Soo Line Corporation	Chicago Milwaukee Corporation	Divestiture of Core Railroad Assets of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company	170,000,000
Gannett Co., Inc.	Des Moines Register and Tribune Company	Divestiture of The Des Moines Register	165,000,000
FMC Corporation	Gulf Resources & Chemical Corporation	Purchase of Lithium Corporation of America	150,000,000
LPL Investment Group Inc.	Times Fiber Communications, Inc.	Merger for Cash (Pending)	146,000,000
Advance Publications, Inc.	The New Yorker Magazine, Inc.	Merger for Cash	142,000,000
CMC Holding Company	Colt Industries, Inc.	Divestiture of Crucible Materials Corporation and Crusteel Ltd.	135,000,000
Harcourt Brace Jovanovich, Inc.	City Investing Company	Divestiture of Federal Home Life Insurance Company and PHF Life Insurance Company	130,000,000
Itel Corporation	Great Lakes International Inc.	Cash Tender Offer	130,000,000
Colgate-Palmolive Company	Baxter Travenol Laboratories, Inc.	Divestiture of American McGraw Division	120,000,000
Shell Oil Company	Marathon Oil Company, a subsidiary of United States Steel Corporation	Divestiture of Certain California Oil and Gas Property Interests	111,000,000
AmSouth Bancorporation	First Gulf Bancorp Inc.	Merger for Cash and Common Stock	110,000,000
CBS Inc.	Taft Broadcasting Company	Divestiture of KTXQ-FM, KLTR-FM, WLTT-FM, WYNF-FM, and WSUN-AM Radio Stations	108,000,000
Power Test Corp.	Texaco Inc.	Divestiture of Northeast Marketing Activities of Getty Oil Company	95,000,000
Citizens Financial Group Inc.	Capitol Bancorporation	Merger for Cash (Pending)	80,000,000
Colson, Inc.	Washington Bancorporation	Purchase of 80% Interest (Pending)	78,000,000
Parker-Hannifin Corporation	Scovill Inc.	Purchase of Schrader Bellows Division	78,000,000
Hibernia Corporation	Fidelity National Financial Corporation	Merger for Cash and Common Stock (Pending)	76,000,000
Baxter Travenol Laboratories, Inc.	Compcare, Inc.	Merger for Common Stock	73,000,000
Sovran Financial Corporation	D C National Bancorp, Inc.	Merger for Common Stock (Pending)	67,000,000

Note: First Boston's clients are indicated by bold print.

DOMESTIC U.S. (Cont'd.)

<u>Acquiring Company</u>	<u>Acquired, Selling or Target Company</u>	<u>Assignment or Form of Transaction</u>	<u>Approximate Size of Transaction</u>
Seagull Energy Corporation	ENSTAR Corporation	Divestiture of Alaska Pipeline Co. and Assets of ENSTAR Natural Gas Co.	\$ 65,000,000
Xidex Corporation	Control Data Corporation	Purchase of Business Products Group	65,000,000
First Boston, Inc. Investor Group	Castle & Cooke, Inc.	Leveraged Buyout of Bumble Bee Seafoods Division, with Management and First Boston as Investors	60,000,000
American Continental Corporation	Anderson, Clayton & Co.	Divestiture of American Founders Life Insurance Company (Pending)	58,000,000
Gannett Co., Inc.	Des Moines Register and Tribune Company	Divestiture of 14% Interest in Cowles Media Company	56,000,000
Equimark Purchasing Partners	Equimark Corporation	Recapitalization	55,000,000
Xidex Corporation	Xidex Magnetics Corporation	Merger for Common Stock	55,000,000
Zeigler Coal Holding Company	Houston Natural Gas Corporation	Divestiture of Zeigler Coal Company	55,000,000
Holly Corporation	Holly Corporation	Recapitalization	50,000,000
The Coastal Corporation	Texaco Inc.	Divestiture of Eagle Point Refinery Complex	43,000,000 (+inventories)
Fiedmont Aviation, Inc.	Empire Airlines, Inc.	Merger for Cash (Pending)	42,000,000
Gannett Co., Inc.	Des Moines Register and Tribune Company	Divestiture of The Jackson Sun	40,000,000
Ash Grove Cement Company	Arkla, Inc.	Divestiture of Arkansas Cement Corporation	38,000,000
Chey Chase Savings and Loan, Inc.	B.F. Saul Mortgage Company	Merger for Preferred Stock	38,000,000
The Coastal Corporation	Texaco Inc.	Divestiture of Getty Minerals Company (Skyline Coal Mine)	34,000,000
Texas Oil & Gas Corp.	Occidental Petroleum Corporation	Divestiture of Lathrop Gas Field	30,000,000
United Banks of Colorado, Inc.	IntraWest Financial Corporation	Purchase of 2 IntraWest banks (Pending)	30,000,000
CP National Corporation	Ocean Technology, Inc.	Merger for Cash	28,000,000
PSFS	First Federal Savings and Loan Association of Winter Haven	Merger for Cash	19,000,000
The Chase Manhattan Corporation	Third Century Leasing Group	Merger for Cash (Pending)	16,000,000
Criterion Mortgage Holding Corporation	City Investing Company	Divestiture of Criterion Financial Corporation	16,000,000
Recognition Equipment Incorporated	Datapoint Corporation	Purchase of Certain Assets of Inforex, Inc.	12,000,000
Huckvale Acquisition Inc.	City Investing Company	Divestiture of Guerdon Industries Inc.	11,000,000
Riverside Corporation	Western States Life Insurance Company	Divestiture of Alliance Life Insurance Company (Pending)	9,000,000
Lilly Industrial Coatings, Inc.	Celanese Corporation	Divestiture of Certain Assets and Liabilities of Almatex Ltd.	8,000,000
Security Benefit Life Insurance Company	The First Pyramid Life Insurance Company of America	Merger for Cash	6,000,000
Celanese Corporation	Codenoll Technology Corporation	Purchase of 10% Interest	5,000,000
W & D Securities Inc.	Associated Madison Companies, Inc.	Divestiture of AC Securities, Inc.	4,000,000
Celanese Corporation	Interactive Radiation, Inc.	Purchase of 21.5% Interest	3,000,000
Ackerley Communications Incorporated	Des Moines Register and Tribune Company	Divestiture of KSGO-AM and KGON-FM Radio Stations	Undisclosed
Air Products and Chemicals, Inc.	Texaco Inc.	Divestiture of Getty Synthetic Fuels, Inc.	Undisclosed
American Bakeries Company	Cotton Brothers, Inc.	Merger for Cash	Undisclosed
AMETEK, Inc.	Ashland Oil, Inc.	Divestiture of PanAlarm International, Inc.	Undisclosed
Atlas Foundry & Machine Co.	Ashland Oil, Inc.	Divestiture of Atlas Foundries Division	Undisclosed
The Bank of New York Company, Inc.	Security Pacific Corporation	Divestiture of RMI Securities Corporation (Pending)	Undisclosed
BMI Acquisition Corporation	Beverage Management Inc.	Merger for Cash	Undisclosed
Burnham Broadcasting Company	Des Moines Register and Tribune Company	Divestiture of KHON-TV and KAIL-TV	Undisclosed
Celanese Corporation	Endotronics, Inc.	Purchase of 28% Interest	Undisclosed
Celanese Corporation	Osmonics, Inc.	Purchase of 25% Interest	Undisclosed
Centronics Data Computer Corp.	Trilog, Inc.	Purchase of Assets	Undisclosed
C.I.T. Corporation	American Hoist & Derrick Company	Divestiture of Finance Receivables of Amhoist Credit Corporation	Undisclosed
Cities Service Company	Texaco Inc.	Divestiture of Coltexo Corporation	Undisclosed
The Coastal Corporation	Texaco Inc.	Divestiture of Northeast Pipe Lines and Terminals (Pending)	Undisclosed
Cyprus Minerals Company	Texaco Inc.	Divestiture of Plateau Mining Company, Colorado Yampa Coal Company, Twenty-mile Coal Company and various other related companies	Undisclosed
First Boston, Inc. Investor Group	The Pillsbury Company	Leveraged Buyout of The Chart House, with the First Boston Mezzanine Investment Partnership, Management and First Boston as Investors	Undisclosed
FMC Corporation	Gulf Resources & Chemical Corporation	Purchase of BS&B Engineering Company	Undisclosed
FOC Corporation	The LTV Corporation	Divestiture of Fibercast Company (Pending)	Undisclosed
Freeport-McMoRan Inc. Master Limited Partnership Unitholders	Freeport-McMoRan Inc.	Formation of a Master Limited Partnership for purpose of holding selected Oil & Gas Properties (Pending)	Undetermined
The Goodyear Tire & Rubber Company	Texas Eastern Corporation	Divestiture of Automotive Services Division (Pending)	Undisclosed
Harvard Industries, Inc.	Amerace Corporation	Divestiture of Esna and Caco-Pacific Divisions	Undisclosed
Hawkeye Acquisition Corporation	Texaco Inc.	Divestiture of Hawkeye Chemical Company	Undisclosed
The Henley Group, Inc.	Allied-Signal Inc.	Spin-Off to Shareholders of 70% Ownership in New Corporation formed to own 30 Allied-Signal Business Units (Pending)	Undisclosed
Ingersoll-Rand Company	Textron, Inc.	Purchase of Fafnir Bearing Division	Undisclosed
International Paper Company	International Paper Company	Formation of a Master Limited Partnership for purpose of holding approximately 7,000,000 acres of Timberland	Undetermined
Master Limited Partnership Unitholders	Allied-Signal Inc.	Divestiture of North American Refractories Unit (Pending)	Undisclosed
Kirtland Capital Corporation	Baxter Travenol Laboratories, Inc.	Divestiture of American Haemonetics Corporation	Undisclosed
Latham Labs, Inc.	Avicom International, Inc.	Merger for Cash	Undisclosed
Lockheed Corporation	Texaco Inc.	Divestiture of 40% Interest in Wyco Pipe Line Company	Undisclosed
Mobil Corporation	Des Moines Register and Tribune Company	Divestiture of WOAD-TV	Undisclosed
The New York Times Company	Environmental Testing & Certification Corporation	Merger for Common Stock (Pending)	Undisclosed
O. H. Materials Corporation	Des Moines Register and Tribune Company	Divestiture of WIBA-AM and WIBA-FM Radio Stations	Undisclosed
Price Communications Corporation	The LTV Corporation	Divestiture of Certain Assets of Republic Supply Division	Undisclosed
Republic Supply Co.	IC Industries, Inc.	Purchase of Carls Drug Co., Inc.	Undisclosed
Reveco D.S., Inc.	Ashland Oil, Inc.	Divestiture of Cashco Holdings, Inc.	Undisclosed
RSP&M, Inc.	Murry's Steaks Inc.	Merger for Cash	Undisclosed
The Rymer Company	Investco Partners (comprised of Coca-Cola Bottling Co. Consolidated and FBCC Holdings, Inc., a subsidiary of First Boston, Inc.)	Divestiture of Northern Arizona Coca-Cola Bottling, Inc.	Undisclosed
Swire Bottlers Inc.	Sara Lee Corporation	Divestiture of Idaho Frozen Foods Corp.	Undisclosed
Universal Foods Corporation	Texaco Inc.	Divestiture of Getty Coal Company (Malakoff-Cayuga Coal Project)	Undisclosed
Utility Fuels, Inc.	City Investing Company	Spin-Off to Shareholders of 100% Ownership in Wood Bros. Homes, Inc.	Undisclosed
Wood Bros. Homes, Inc.	Chariton Associates	Merger for Common Stock and Warrants (Pending)	Undisclosed
Xidex Corporation			

Note: First Boston's clients are indicated by bold print.

In 1985, a period of increasing global M&A activity, First Boston/Credit Suisse First Boston acted as financial advisor on more than 190 mergers, acquisitions, divestitures and leveraged buyouts, and ranked Number 1 in *Corporate Financing Week's* tally of 1985 merger and acquisition transactions. First Boston/Credit Suisse First Boston advised on 7 of the 10 largest deals, more than any other investment banker, and over 75 transactions greater than \$100 million. These included the year's largest non-oil international merger and the two largest corporate divestitures. At the same time, more than one third of First Boston/Credit Suisse First Boston's transactions were under \$50 million.

The First Boston Corporation

Credit Suisse First Boston Limited

FINANCIAL TIMES SURVEY

Tuesday February 18 1986



● Just off the press: Australian-born proprietor Rupert Murdoch with copies of his newspapers at the high technology print works in Wapping, East London.



● Mr Eddy Shah has sent shock-waves through the UK newspaper industry with plans to launch a low-cost, high technology paper with full colour on March 4.



● Electronic publishing systems for larger companies now represent a fast-growing market. Seen here is Kodak's new Ektraint system, "Keeps".



● The reprographics revolution: this new laser printer from Rank Xerox reproduces text, data and graphics at 10 pages a minute and can be shared by four computers.

ELECTRONICS IN PRINTING AND PUBLISHING

Turmoil in Fleet Street

By RAYMOND SNODDY

RARELY CAN the profile of print have been so high in Britain. Fleet Street, traditionally rather secretive about its own inner workings, is changing suddenly in a blaze of publicity. The mere threat of Mr Eddy Shah's new low-cost high technology newspaper, *Today*, which is launched on March 4, was enough to weaken the defences which had held technological change at bay. The formal demolition of traditional printing levels and practices was begun by Mr Robert Maxwell at Mirror Group Newspapers who achieved a total of 2,100 job cuts through negotiations with his unions. Mr Rupert Murdoch made a dash for Wapping in East

London after sacking more than 5,000 of his print workers and is now producing his four titles *The Times*, *The Sun*, the *Sunday Times* and the *News of the World* on an Atelex electronic publishing system behind barbed wire. And, while the problems of private distribution by van have yet to be completely solved, it is clear that Fleet Street will never be the same again. Yet, Fleet Street for all its visibility is only a part—and the most untypical part—of the printing industry. Far away from the headlines a much quieter revolution has been gradually gathering pace—the modernisation of an industry that employs about 500,000 people. "It's a very exciting time—but for some it's also a threatening time. It's a constant battle to keep up with advances in technology," commented Dr John Arnold, head of technical services at the British Printing Industries' Association. Yet, what for Fleet Street is still new technology is only new compared with the hot metal Linotype machines that the computer-based systems are finally replacing. Such technology has been in use in the US for many years and the provincial press in the UK began using phototypesetting in the mid-1960s. Technology is not only revolutionising the way that newspapers and magazines are

printed, but it is also influencing their content in such areas as full-colour news pictures, transmitted from distant parts of the world within four minutes on such systems as the portable "Satlight" equipment from Scitex Europe. The rapid changes in the printing industry worldwide are evident at such major exhibitions as IPEX in the UK and DRUPA, staged in 18 huge halls in Dusseldorf, West Germany, venue for the world's premier show for the industry. (DRUPA 86 will take place from May 2 to 15). The printing industry breaks down into four broad process areas: ● Typesetting. ● Colour reproduction. ● Printing. ● Binding and finishing. It is in the first area—the front end—where the most dramatic changes are under way. The falling cost of computer power, and the growing sophistication of software, has enabled not just copy to be generated but text and graphics to be integrated and complete pages to be made up on-screen. Companies such as Systems Integrators of California are already offering on-screen page makeup where you can actually see an accurate representation

of the newspaper page including all the text of stories. In other areas such as printing, change may be more evolutionary than revolutionary, but even here electronics are leading to change. Examples Electronics are controlling such areas as colour density, the depth and amount of ink applied to pages and the speed of machines. Even in the binding and finishing sections computers assist in operations such as guillotining, VDUs check cutting sequences, control the speed of folding machines and oversee safety features on equipment. The convergence of computing, copying and printing technologies has attracted a large number of companies to the printing area for the first time. Some are majors with a background in the reproduction and copying sectors such as Rank Xerox and Kodak International Business Machines (IBM) has already entered the corporate electronic publishing market with a couple of printing products. Many in the industry believe that a larger and more direct entry can be expected by the computer giants such as

IBM and Digital Equipment Company. As well as the major corporations looking at the growth and rapid changes in many areas of printing, a significant number of entrepreneurial new companies are being started to tackle niche markets. It has become very difficult to keep up with all the advances. "In the old hot-metal composition days, there were relatively few suppliers of printing equipment—now there are so many newcomers, all leapingfrogging each other," Dr Arnold points out. The BPIA is about to publish a new guide: "Buying Composing Equipment—The Questions to Ask." "There are so many suppliers, that unless you narrow it down to three or four companies and spend half a day with each you will never really know which one really suits your particular requirements," Dr Arnold argues. In the international book publishing market "the key to the future lies in automation with the widespread introduction of main-computers and microprocessors in order to raise productivity and improve consistency," according to the

publishing industry analyst, Mr Peter Curwen. Mr Curwen, an economics lecturer at Sheffield City Polytechnic, has just published a comprehensive study of the world book industry. He believes that two quite different types of publishing operation will emerge. There will be a large number of small, financially efficient and highly specialised imprints and a contrasting sector of large multinational companies with subsidiaries worldwide. Hardback books will be overtaken by quality paperback editions and increasingly business, reference and educational publishing will come in the form of new technology. The Longman group, part of Pearson, which now controls Britain's largest publishing operation, has in recent years chosen to exploit the power of computer lexicography in-house, so that after ten years of development its lexicographical computer database is the most advanced that a UK publisher possesses. Longman Cartermill, which is majority-owned by Longman, is a prominent example of an on-line database of scientific and technological expertise and facilities in British research

institutions, for use by industry. New paperless publishing, such as on-line databases, have great advantages over conventional books where rapidly changing information is involved. "This looks like being the one area where books as we know them might well become redundant," Mr Curwen argues. Key questions But will electronic systems eventually remove the need for printing in the conventional sense altogether? When he comes in each morning Mr Alan Higson, Rank Xerox systems business marketing manager checks his electronic mail box to see if there are any messages. But his desk is still piled high with reports and other documents. Rank Xerox estimates that from 1984 to 1990 the annual UK shipments of personal computers (excluding word processors) will have risen from 106,000 a year to 250,000 a year. Despite such an increase, Mr Higson is convinced "the document in paper form is going to be around for some time to come." How it's produced and how many people will be involved is of course another matter. * * * The World Book Industry, by Peter Curwen, 264 pages; published by Euroonitor, 57-58 Turramill St, London EC1M 5QU.



● While newspapers in Britain make their own headlines over the latest upheavals in Fleet Street, the impact of electronics is being felt in all other areas of printing and publishing. This survey looks at: The growth of corporate electronic publishing 2 The reprographics revolution 2 Pressure on print shops 2 Changes in business documentation 3 Typesetting systems 3 New print industry exhibitions 3 Labour relations 4 Multi-media developments 4 Text and graphics 4

RANK XEROX

Rank Xerox are world leaders in laser printing and the leading developers of software for document creation systems. Just as we led the field in other important areas of reprographics, so too have we taken the lead in laser printing and document creation. We now have an unrivalled range of sophisticated equipment to enable companies to produce high quality printed material—completely in-house and in a fraction of the time and cost of conventional methods. Our document creation systems can combine text and graphics to bring new speed and convenience to the production of technical and engineering documentation, sales tenders, company reports—indeed virtually all printed information. And when you've created your documents on the screen only Xerox offers you the facility to transmit that information via a local area network or Ethernet to wherever it's needed. Then it can be printed ready for use—again using Xerox equipment. Our range of laser and electronic printers caters for every possible workload. From the company that needs just a few hundred pages a week, to those requiring thousands each day. So when you begin to open your eyes to the potential of electronics in publishing, make sure you contact us first. Only we can show you the complete picture.



When you open your eyes to the benefits of electronics in publishing make sure you see the complete picture.

Get Xerox

To find out more about Xerox... user and electronic... ELET... XEROX

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, addresses, and financial data.

Table listing various financial products and companies, including details like 'Scottish Unit Managers' and 'Scottish Mutual Investment Managers Ltd'.

Table listing various financial products and companies, including details like 'Scottish Unit Managers' and 'Scottish Mutual Investment Managers Ltd'.

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INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds, including entries for Sun Life, Swiss Life, and various international investment funds.

Table of insurance and overseas funds, including entries for The English Trust Group, Equitable Life, and various international investment funds.

Table of insurance and overseas funds, including entries for Members Bank Ltd, Management International Ltd, and various international investment funds.

Table of insurance and overseas funds, including entries for various international investment funds, money market bank accounts, and traditional options.

OFFSHORE AND OVERSEAS

TRADITIONAL OPTIONS

3-month call rates

Table of traditional options and 3-month call rates, listing various financial instruments and their corresponding rates.

BRITISH FUNDS

Table of British Funds with columns for High, Low, Stock, Price, Div, Yield, and % Chg. Includes sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for High, Low, Stock, Price, Div, Yield, and % Chg. Includes sections for 'CANADIANS' and 'Index-Linked'.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont. DRAPERY & STORES - Cont.

Main table of London Share Service listing various sectors: BUILDING, TIMBER, ROADS, DRAPERY & STORES, ELECTRICALS, CHEMICALS, PLASTICS, DRAPERY AND STORES.

ENGINEERING - Continued

Table of Engineering Stocks with columns for High, Low, Stock, Price, Div, Yield, and % Chg.

INDUSTRIALS - Continued

Table of Industrial Stocks with columns for High, Low, Stock, Price, Div, Yield, and % Chg.

INT. BANK AND OSEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans.

LOANS

Table of Loans.

Public Board and Ind.

Table of Public Board and Ind.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails.

BANKS, HP & LEASING

Table of Banks, HP & Leasing.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits.

BUILDING, TIMBER, ROADS

Table of Building, Timber, Roads.

AMERICANS

Table of Americans.

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INDUSTRIALS—Continued

Table of industrial stock prices including companies like Shell, BP, and various manufacturing firms.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways, British Telecom, and various retail firms.

PROPERTY—Continued

Table of property stock prices including companies like British Land, Granada, and various real estate firms.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including various funds and trusts.

FINANCE, LAND—Cont.

Table of finance and land stock prices including companies like City of London, various banks, and landowners.

MINES—Continued

Table of mining stock prices including companies like Anglo American, De Beers, and various metal miners.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like British Leyland, BAE Systems, and various automotive firms.

Commercial Vehicles

Table of commercial vehicle stock prices including companies like Leyland, DaimlerChrysler, and various truck manufacturers.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like Clarks, Debenhams, and various footwear retailers.

TEXTILES

Table of textile stock prices including companies like J. & F. Wright, Huddersfield, and various textile manufacturers.

OVERSEAS TRADERS

Table of overseas traders stock prices including companies like Anglo Siam, Anglo Japanese, and various international trading firms.

PLANTATIONS

Table of plantation stock prices including companies like Guthrie & Co., Guthrie & Co., and various rubber and palm oil plantations.

INSURANCES

Table of insurance stock prices including companies like Prudential, Sun Life, and various insurance providers.

PROPERTY

Table of property stock prices including companies like British Land, Granada, and various real estate firms.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including various funds and trusts.

FINANCE, LAND, etc.

Table of finance, land, and other stock prices including various financial and land-related firms.

MINES

Table of mining stock prices including companies like Anglo American, De Beers, and various metal miners.

REGIONAL & IRISH STOCKS

Table of regional and Irish stock prices including companies from various regions and Ireland.

Notes and regional & Irish stocks section at the bottom of the page, including a disclaimer and a list of regional and Irish stocks.

LONDON STOCK EXCHANGE

MARKET REPORT

Imperial bid situation dominates
Gilts continue strongly
300p and MAI 355p, hardened a few pence piece...

Imperial bid situation dominates
Gilts continue strongly

The multi-million pound takeover bid which has characterised the sustained upsurge in UK equities over the past few months...

FINANCIAL TIMES STOCK INDICES

Table with columns for Date, Govt. Secs., 1000 Shares, etc. for Feb 13-18 and year ago.

Table with columns for High, Low, Change for various indices like Govt. Secs., Fixed Int., etc.

on a newspaper "take profits" recommendation. Profit-taking was evident among recently firm leading stocks...

from Tilbury Group; the latter hardened 4 to 165p. Interest revived in Blue Arrow, 12 higher at 260p...

RECENT ISSUES

Table listing various equities with columns for Stock Name, Price, Change, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue, Price, etc.

RIGHTS OFFERS

Table listing rights offers with columns for Issue, Price, etc.

Oil prices
The leading oil prices opened on a firm note but quickly retreated on persistent small selling...

Oils easier

Gold subdued
The closure of Wall Street for Washington's birthday had an adverse effect on activity in mining markets...

TRADITIONAL OPTIONS RISES AND FALLS

Table showing rises and falls in traditional options with columns for Date, Price, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

EQUITY GROUPS & SUB-SECTIONS

Table showing equity group indices with columns for Index No., Index, etc.

FIXED INTEREST

Table showing fixed interest yields with columns for Index, Yield, etc.

ACTIVE STOCKS YESTERDAY

Table listing active stocks from yesterday with columns for Stock Name, Price, etc.

FRIDAY'S ACTIVE STOCKS

Table listing active stocks from Friday with columns for Stock Name, Price, etc.

EUROPEAN OPTIONS EXCHANGE

Table listing European options exchange with columns for Stock Name, Price, etc.

LONDON TRADED OPTIONS

Table listing London traded options with columns for Option Name, Price, etc.

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World Stock Markets

WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, Germany, Norway, Australia, and Japan. Columns include country, date, price, and change.

Table of stock market indices for New York, London, and other major markets. Includes columns for index name, date, and value.

Table of active stocks in New York, listing company names, prices, and changes.

Advertisement for Racal-Vodac Limited featuring the slogan 'HOW TO GET SOMEWHERE WHEN YOU'RE GETTING NOWHERE.' Includes an image of a car and text describing mobile phone services.

Advertisement for Kidder, Peabody & Co. Limited, titled 'Own land in the great American West.' Features a landscape image and text describing land for sale in Colorado.

